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FBIS-LAT-90-245 *20 December 1990*

CONTENTS

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Outlines Economic Solutions at Conference *[Havana TV]* 1
Castro Attends Fourth FEU Congress Opening *[Havana TV]* 12
Comments on 'Critical Period' *[Havana TV]* 13
Ministry Announces End to Czech Representation *[Havana International]* 13
Students 'Reject' CSFR Decision *[Havana TV]* 13
Tamayo Named Soviet Friendship Association Head *[Havana Radio]* 13

Anguilla

Finance Minister Fleming Presents National Budget *[CANA]* 14

Haiti

Conacom Welcomes Aristide, Calls For Coalition *[Port-au-Prince Radio]* 14
FNCD Urges Citizens To Wait for Final Results *[Port-au-Prince Radio]* 14
Further Presidential Election Results Provided *[Port-au-Prince Radio]* 15
More on Election Results *[Port-au-Prince Radio]* 15
State Council Congratulates Election Contributors *[Port-au-Prince Radio]* 15
Mitterrand Congratulates Aristide, Extends Support *[Port-au-Prince Radio]* 15

Jamaica

'Good Year' Predicted for Bauxite Industry *[CANA]* 15

Trinidad and Tobago

Robinson 'Disappointed' by Opposition Victory *[CANA]* 16

CENTRAL AMERICA

El Salvador

FMLN Rejects Puntarenas Declaration *[Radio Venceremos]* 17

Guatemala

* Reportage on Guerrilla Activities 17
* ORPA Burns Property *[SIGLO VEINTIUNO 7 Nov]* 17
* Farm Installations Burned *[EL GRAFICO 8 Nov]* 17
* Military Post Attacked *[SIGLO VEINTIUNO 9 Nov]* 18
* URNG Seizes Weapons *[EL GRAFICO 14 Nov]* 18
* URNG Threatens Truckers *[EL GRAFICO 14 Nov]* 18
* Other URNG Activities *[EL GRAFICO 14 Nov]* 18
* Army Suffers Casualties *[EL GRAFICO 14 Nov]* 18
Mutual Support Group Member Murdered *[SIGLO VEINTIUNO 12 Dec]* 19

Nicaragua

Lacayo on Budget Law, Presidential Veto *[Managua Radio]* 19
Chamorro Vetoes Budget Passed by Assembly *[Managua Radio]* 20
Godoy Comments on Recent Terrorist Actions *[Managua Radio]* 21
Assembly Condemns Bomb Attacks on Deputies *[Managua Radio]* 22
Telcor Strike Leaves Country Incommunicado *[AFP]* 22

Panama

Endara Address Notes Invasion Anniversary *[Panama City Radio]* 22
Endara on Unionism, U.S. Aid, Judicial System *[Panama City TV]* 23
Linares Remarks on President Bush's Statements *[LA ESTRELLA DE PANAMA 19 Dec]* 25
Denies U.S. Interference in Government *[Panama City TV]* 25
Herrera Views 5 Dec Events, Reconciliation *[LA ESTRELLA DE PANAMA 17 Dec]* 26
Olmedo Riggs Granted Safe-Conduct by Government *[Panama City TV]* 27
Granted Asylum in Venezuela *[Madrid EFE]* 27
Columnist: Hold Labor Leaders Liable for Damages *[LA PRENSA 15 Dec]* 27
Major To Be Tried on Kidnapping Charges *[Panama City TV]* 27
New Organization Enters Political Arena *[EL PERIODICO 17 Dec]* 27

SOUTH AMERICA

Argentina

Menem Addresses Military School Graduates *[Buenos Aires TV]* 28
Abete Testifies, Says Seineldin Headed Rebellion *[NOTICIAS ARGENTINAS]* 29
Minister Announces 1991 Privatization Plans *[BUENOS AIRES HERALD 18 Dec]* 30

Bolivia

Antiguerrilla Group Denies Official Connection *[PRESENCIA 11 Dec]* 31
Interior Ministry Confirms Presence of MRTA *[La Paz TV]* 31
Senate Approves Promotions of Three Generals *[EL DIARIO 13 Dec]* 31
* Nontraditional Export Figures Released *[HOY 23 Nov]* 31

Chile

La Cutufa Case, Pinochet Involvement Discussed 32
Rojas Admits 'Unrest' in Army *[Santiago Radio]* 32
General Pinochet Testifies *[Santiago Radio]* 32
Pinochet 'Not Thinking of Resigning' *[Madrid EFE]* 32
Pinochet Denies 'Commotion' in Army *[Santiago TV]* 32
Troops Confined to Barracks *[Madrid EFE]* 33
Rojas Denies Requesting Resignation *[Madrid EFE]* 33
Inclusion in International Community Viewed *[Santiago Radio]* 33
Foxley, Ominami Comment on Failed GATT Talks *[EL MERCURIO 8 Dec]* 34
Opposition Planning Response to Aylwin's Remarks *[Santiago Radio]* 34
Christian Leftist Party Faction Elects Leader *[EL MERCURIO 3 Dec]* 34
Socialist Party Elects New Leadership *[LA TERCERA DE LA HORA 25 Nov]* 34
Former CNI Agent Indicted on Abduction Charges *[Santiago Radio]* 35
Carabineros Report Arrest of FPMR Member *[Santiago Radio]* 35
Congress Passes Draft Public Sector Budget Bill *[EL MERCURIO 28 Nov]* 35
$48-Million Loan Granted by Switzerland *[EL MERCURIO 27 Nov]* 35
Aylwin Congratulates Poland's Walesa on Election *[EL MERCURIO 13 Dec]* 35

Colombia

Army Reportedly Fulfills Measures Against FARC *[Bogota Radio]* 35
Paramilitary Chief Surrenders to Authorities *[Bogota TV]* 36
Authorities Suspect Rebel Involvement in Fire *[Bogota Radio]* 36
ELN Guerrillas Damage Oil Pipeline in La Gomez *[Bogota TV]* 37
* Anti-Kidnapping Unit Organization Described *[EL TIEMPO 31 Oct]* 37

Ecuador

Strikes in Country; No Violence or Clashes *[AFP]* 38
PLO Delegation Arrives, Talks With Government *[AFP]* 38

Paraguay

Central Bank Reports $62-Million Trade Surplus *[HOY 7 Dec]* 38
Democratic Alliance Appoints Coordinator General *[NOTICIAS 15 Dec]* 38
Two New Presidential Aides-de-Camp Installed *[NOTICIAS 15 Dec]* 39

Peru

Hurtado Miller Discusses Economic Policies *[EL COMERCIO 2 Dec]* 39
Editorials View Bush's Visit to Latin America *[EXPRESO 11 Dec, etc.]* 42

Cuba

Castro Outlines Economic Solutions at Conference

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[Speech by Cuban President Fidel Castro at the closing of the Fifth National Spare Parts Forum at the Convention Center in Havana on 15 December—recorded]

[Text] [Castro] Comrades, the closing speech has already been given by Comrade Pedrito [Ross Leal], as had been scheduled. I came to prevent arguments here and to say a few brief words. I came to prevent arguments because sometimes when an event closes they ask me to come; I do not like to get into that kind of—not contradictions—but I do not like to have them beg me for things, and moreover, I want to say these words to express above all how much we appreciate the efforts you are making.

I do not know in detail about everything you have done. I have not yet seen the exhibit, although I hope to do so before you take it away. Perhaps I will speak about this again. I have not been able to participate in your discussions, your analyses, your commissions, of course, where I imagine that an enormous wealth of experience, knowledge, and ideas that are useful to our country has been set forth. I am aware, very aware, however, of what the efforts you have made mean, and what you are going to continue to do in future years.

These forums—Pedrito said it in the plural, I do not like that pronunciation much. If we had Professor Vicentina here we could ask how to do this, if we want to make the word forum plural. Maybe [words indistinct] and instead of a word also, to solve the problem. What?

[Unidentified speaker] Fora.

[Castro] Without an S? Ah, fora. Where did that word come from?

[Unidentified speaker] It is Latin.

[Castro] They say, however, that Spanish came from Latin. How do you know, Ross? I did not know you were a professor of....[changes thought] I thought you were a professor of (?karate). [laughter] Look at that. Well, alright, something is better than nothing. We will have to note this down. [laughter] Well, fora.

Everything concerning this forum, in this case, the fifth forum, has filled the pages of newspapers. We do not have many newspapers now, but of that little space we have in the newspapers, you have occupied a considerable part. I did read that, with great interest, so I have gotten some information about the different things, the different activities, how this was organized from the base level, in the municipalities, the provinces, and now nationally, and also all the innovations you have made in organizing the event.

I think this is really extraordinary. We are not exaggerating when we say that this is of extraordinary importance, if we are aware of the time we are living in. Here Pedrito recalled how some people worked to produce spare parts of capitalist origin, since there was no foreign exchange. We had huge expenditures. Our country did not have credits to buy equipment and spare parts, as at other times. We did have that possibility at one time, but later it was no longer possible; and we had to produce many of these parts ourselves.

It was something which we had been working for a long time, insisting, pressuring. Why did the production of spare parts not increase? It was possible to make them in our country, ones we spent tens and hundreds of millions on. Of course, not all could be produced, but a considerable part could. So this movement grew.

Now it is not a matter of producing spare parts only for capitalist equipment, but also spare parts for equipment of socialist origin, because who can assure us that we will receive parts from the former people's democracies of East Europe? I am not including the USSR. We are certainly going to continue to receive, if not as many parts, some amounts of parts from the USSR. It is unlikely, however, that we will ever receive another part from some countries—and who knows at what price? They had already been increasing the prices of parts. Already the Ikarus parts were getting more expensive every year. Why? Because they felt like it. We had the buses and we needed to have the buses in operation. So there were increases of 10 percent, 15 percent—I think the last increase was about 30 percent—in the price of the same parts. This did not mean that what we exported was increasing in price. These buses, whose virtues we are very familiar with....[rephrases] Excellent buses, the Ikarus—they use a gallon every four km, and need a refinery behind them.

We already had them, however. They were our buses from our dearly beloved Hungarian brothers. They gave us credits; yes, they did. We have to say that. There were no possibilities, or facilities, to buy other buses, and we had to import these buses. Then, a lot of people wanted them to be better. There were some who expressed their suspicions about their technology and efficiency. At one time it seemed that it was an anti-socialist position to say that this equipment from a fraternal socialist country was no good.

What does socialism have to do with the quality of some equipment? You can produce very good rum, or Copelia ice cream, as we have here. There are some good things. Socialism can do good things when it wants to. We already know this because during these years we have created many good things, just as capitalism makes a lot of trash. It makes a lot of things that are no good. For whatever reasons—obsolete technology, metal quality, lack of some materials—sometimes socialist equipment had problems. In this case you can say, I will buy it or I will not buy it. If I do not buy it I have to do without the equipment, if I do not have another type of currency to

buy another quality of equipment. So, many times we had different types of equipment of socialist origin.

I am familiar with a lot of equipment; I am familiar with almost all of it. If you want a specialist in the quality of each type of socialist equipment, you can talk to me. I do not have a lot of specialties; I do not have a lot of degrees. I do not have a doctorate, nor am I a doctoral candidate. I have not even graduated in engineering or mechanics, but I have been involved in this matter of equipment for many years; for example, construction equipment, since the first brigades, the first plans, were organized. When the first dams were begun, when all kinds of development plans were made for the country. Of course, they took on great momentum. There were dams, canals, roads, highways, cattle-raising plans, communities in the countryside, great agricultural plans of different types.

In short, I remember at one time hundreds of construction brigades were organized, hundreds of construction brigades. I participated a lot in all this. I remember that Havana Province produced about 170,000 liters [of milk] per day, and a plan to build 1,000 dairy complexes in the province was carried out. They were located in different areas of the province. I toured the territory, I do not know how many times—just as in other provinces.

Many things were done in the sixties and in the first years of the seventies. Because of this the country now has hundreds of dams and minidams, thousands of dairy complexes, tens of thousands of kilometers of roads, hundreds of agricultural communities. This cannot be done alone, however; this does not happen by chance. Later there were some ideas that relied only on chance. At that time—just as it is now—many construction forces were organized to develop the countries.

There were also brigades, of course, for industrial construction, brigades that built hospitals, schools, thousands of schools. Counting only the schools in the countryside, and technical schools, around 700 must have been built. The forces were organized to perform all these tasks; and I can assure the comrades that I participated in the organization and distribution of equipment for each of these brigades. I had to know what to give the people and what each of the pieces of equipment were used for.

Among other things, we tried to have more or less uniform equipment; not to mix a French truck with a Soviet KP-3, or a MAS-500—now they have different names on the list—but we had more or less the same number of trucks, the same number of...[rephrases] the same type of bulldozer, the same kind of loader, although we had different types of loaders. We could not avoid this, because we could not go and buy all the bulldozers in the same place.

I remember the time that a number of French bulldozers arrived, with 180 or 200 horsepower. The Soviets did not have any tractors with such horsepower, and if they had them they did not export them. I think that, really, they did not have them. They had the T-100, I think it was, T-100. The C-100, but now they are called T, now they have the T-130 and T-171, with a hydraulic scraper.

At that time, the C-100 did not have a hydraulic scraper. There was a lot of equipment that did not have hydraulic scrapers. When the Soviet equipment began to include the hydraulics, the innovation was accompanied by several extreme headaches that I sometimes preferred a mechanical crane to a hydraulic one, because the first Soviet efforts in hydraulics were really not of very high quality. We knew that equipment. I should say that Soviet construction equipment is good. I should say that to keep things straight. A crane could be mechanical or not, but it worked and it worked well. How many hundreds of kilometers of canals have we built with the mechanical S-52? Well then.

I remember the great diversity of equipment we had. Enormous diversity. With that equipment we did a lot of things, mixing capitalist and socialist equipment. We built almost all the dams during that period, almost all the roads, and we rebuilt the central railway. We did many, many, many things with that equipment. Then came the period of establishing the system of management and planning; these were copied ideas, and their results were not really favorable to our country. Many of these forces were dismantled. That is, all the brigades were dismantled. They became part of enterprises. The enterprises were generalized. The idea of specializing was lost. So an enterprise could do railroads, roads, dams, or anything, and in fact did not do anything.

Over a period of time all this went downhill, until we reorganized these forces again, and created new forces during the rectification process which we can see working today throughout the country. We have only to say that in only three years we have almost rebuilt the water-management works. We are building more water-management works that ever. Yes, right now in this special period we are building more water-management works than ever. In this special period we are building more dairy complexes than ever, more poultry and pig-raising complexes than ever. We no longer build so many roads because we already have them. Still, we are building some.

We are building more fish-raising centers than ever, and never were so many canals being built simultaneously as we are doing now. We had never done engineering work with rice. Now we have a capability to produce about 15,000 hectares annually with the engineering system. We have 15 brigades. We have to continue to increase our efforts there. We do not intend to stop until we have 40 brigades to build the engineering system for 170,000 hectares of rice, at least, within a five-year period.

We had never had brigades for the engineering system with sugarcane, to build the irrigation and drainage systems, and today we have 200. With the ones organized most recently—practically a few hours ago—we have reached a total of 201 brigades for plot irrigation

and drainage for sugarcane, with the capacity to work with 80,000 hectares per year. In 1991, if the situation does not become too complicated for us, we could do the work of drainage and irrigation for 80,000 hectares of sugarcane. Or at least the drainage—the irrigation comes later—but the area would already be prepared for irrigation.

Two hundred and one brigades. We did not have brigades for building irrigation systems for sugarcane. One thing is a brigade for plot drainage and irrigation and another is a brigade that brings the water to where the drainage and irrigation system is being done. In short, unless you have a well right there, and you open it up and begin to irrigate from it, you have to build the dam and the major canals that take the water kilometers or tens of kilometers away, the irrigation systems that take the water from these major canals and take it to the fields, and the irrigation systems in the fields.

So you have to do four operations when you want to irrigate sugarcane, for example. Four: the dam, the canal, the irrigation system, and the fields prepared for irrigation. With the recent ones organized this year, we now have 45 brigades to build irrigation systems. This, in addition to the equipment out there. They are organized. I have had to participate in the distribution. This is a job that I assigned to myself years ago, and I have had to assign it to myself again in recent years, how to distribute what we had, what we imported, instead of prorating it, and organize it in forces capable of doing things, forces capable of developing the country, disciplined forces. Many of them are organized into contingents, and ,in addition, they are tremendously productive.

Well, I say for example 200 brigades, or 201 brigades for plot irrigation and drainage, or drainage and irrigation—you should put the drainage first. We have to work on 800,000 hectares of land, in sugarcane. This almost doubles production. It saves water. These are not large brigades. These are small; they have about 15 pieces of equipment. They have one bulldozer. In this case we are using Chinese bulldozers, the 640; it is behaving very well. We have also used the DZ-109, what is it called today, the (600 Moser)? It is a good bulldozer and it has about 160 horsepower. It is more powerful than the C-100. This bulldozer works well.

There is a small Soviet bulldozer, the DZ-42. It is about 75 horsepower, 80 horsepower. It has two scrapers, made in Cuba, in Guira de Melena, and two Soviet T-150K, a good tractor, rubber tires, powerful, which does the work in plot drainage perfectly. It has a small lift, made over an MTZ or a (Yung). We also make them here; the metalworking industry makes all the mechanical components. It makes the lift for the Soviet tractor. The excavator is also of steel, it takes 25 cubic meters, and we make it for the Soviet tractor. It gives very good results. It has a motor grader, the DZ-122. That is the current name.

Essentially they have this kind of equipment, and some trucks or wagons to carry the earth. One of these relatively small brigades prepares about 400 hectares, 30 caballerias annually. That is the pace at which they are working. Of course, they cannot work all year. When the very heavy rains come, they cannot do this work. They do the work as soon as the cane is being milled. They do the work, and as they finish an area, cane is then planted there.

The terrain is left ready for the Fregat machines or other types of machine, the Soviet Fregat or the Cuban Fregat. The ones that came from the USSR were not enough, and we have already set up a factory in Granma for this type of equipment, with a Cuban engine also, a Taino engine. We are progressing, we are creating things. Scrapers—the 201 brigades have 402 scrapers. Now with rice, the brigades for the engineering system with rice have 22 scrapers. They have about 60 pieces of equipment. They need road-building equipment, etc.

The brigades for the irrigation piping systems have a large bulldozer. In this case we are using a Chinese bulldozer, the TY-220. It works very well. It has a little weak point, the gearbox, which is a copper plate, an insignificant thing. It was causing some problems but they discovered it right away and those tractors are working.

They also use a Soviet DZ-109. They use a large one, and a medium-large one, and they also have two scrapers. They have four cranes. Now they are using a Japanese crane, the PC-200, because we did not have enough Soviet 41-E or 4121's, which are good, but there are not enough. We did not have enough and we needed a lot. The rice needs them, the sugarcane needs them, and so we had to buy a group of 40 of that kind of cranes, PC-200—and some smaller cranes, 50 [corrects himself] 0.50 cubic meters, I think they are called Komatsu PBB-151-1. You see? I have no choice but to know even the denomination of the machines, because I am involved in this very often. There are about five cranes; they have six trucks. Sometimes we use Zil-130 with the body made in Cuba, or with the dump truck body made in Cuba.

I will say that, for example, the latest 20 brigades to build irrigation systems for sugarcane—I am not counting agriculture here—do not have a single piece of capitalist equipment—not one. Take note. What do they have? Oh dear, they did have Japanese ones. We could not do without those because we did not have the 5124 crane or the EO-4112, or the Soviet EO-3322, that we can use. We had already used it before. That is why in this case those latest 20...[rephrases] but some did not have any capitalist equipment, some of these brigades.

In this case we do have only two capitalist pieces of equipment, two cranes; the Chinese bulldozers; the Soviet bulldozers, the large and small kind; the Soviet DU-48 roller, or Romanian R12M—we did not have enough of only one kind; I had to give them 10 Soviet

one and 10 Romanian ones, of the ones we had—the Soviet DZ-122 motor graders; the loader with almost one cubic meter for the trucks is a loader made in Cuba on a Soviet MTZ-80; the Soviet jeep; and the Cuban-Soviet excavator.

I am explaining this to you because sometimes we have organized brigades with 100 percent Cuban equipment—no, Cuban and Soviet—100 percent. Sometimes we used the Chinese bulldozers. Now soon we will have some of our bulldozers, not 100-percent built by us but about 50-percent built by us, with a Cuban engine and many Cuban components. As you know, we are already making bulldozers. We no longer have any reason to bring any more capitalist bulldozers into the country. In any case, we do import components, but how much are we saving? We save about $50,000 for a 220-horsepower bulldozer.

We are already making the loaders here, and we are saving half the amount, and we will be saving more and more as we progress. We are already making the vibrating rollers here. The dump trucks have Soviet chassis, but we are also making dump trucks on Cuban chassis with Cuban engines. We have progressed and we are progressing rapidly in developing the automotive industry. Among other things, comrades, because we wanted to be free of the Ikarus.

We have to thank our Hungarian brothers who have contributed to accelerating the development of the automotive industry in our country. Because when we saw that they were selling the parts for higher and higher prices, higher and higher prices because they felt like it, we decided to free ourselves from that and accelerate everything. We were already producing a large part of the engines here. We have already completed the factory for the engine blocks. We have already completed the factory where the engines are assembled. We have acquired the technology for the transmissions; they are not automatic.

One of the reasons the Ikarus uses so much fuel is that it has a Hungarian engine and a Czechoslovak transmission. The two fought to a tie in a contest for inefficiency. An automatic transmission, but with two speeds. You know what this means—it has to be in first almost all the time, and then in the other speed. Two speeds. It uses 30 percent more fuel, and so we are developing our own buses. This year we are making the first ones. What has happened is that now the era of the bus has ended. That is, we cannot continue to transport people in buses. We already had our buses; we had bought the components for those first 100 Cuban buses, with Cuban engines and Cuban transmissions.

[Words indistinct] a factory for fuel pumps, which will be another great misfortune. They were selling those buses throughout the world, right? When they felt like it, because it was business, for the capitalists they put in a transmission made in the FRG. The ones they unloaded on us came with Czechoslovak transmissions, of course. I was talking now about the fuel pumps. The pumps were German, the ones they came with, from the FRG. Ours were made there; the fuel pumps were extremely bad.

If the engine is bad, if the transmission is bad, if the fuel pump is bad, you have to spend [words indistinct] on fuel, really. It is like this, what I am telling you. I am not exaggerating at all, and our buses much less fuel than those buses. All that gave us a boost. All those facts, all those realities, gave us a boost, because way before they went over to capitalism they had already been trying to loot us. They raised the prices because they felt like it, and we had no choice but to stop using the buses or buy the parts at whatever prices they felt like setting.

Now,we cannot get even that, not even parts. Well, by paying high prices in hard currency, we could probably get some parts, but other countries can also get them. We will see. Where is the hard currency? It is an entirely new situation. I think that story I am telling at this spare parts forum is of great interest. I am simply telling you that colossal forces have been organized right now in our country, construction forces that we have organized in the last three years.

With what we have working for us...[changes thought] and that is what we have in mind this afternoon, for it to work, even if we have to go by bicycle, because that is the development of the country. I can tell you that there are at this time about 30 brigades for dams, building dams. There are dozens of brigades for canals, for minidams, for everything. There are the brigades for causeways organized into contingents, the brigades that are building hotels throughout the country. There are eight fronts open for building dairy complexes throughout the country, with the capability to build about 240 dairy complexes per year. There are contingents organized for various activities, located all over.

The Blas Roca [Contingent] has only 30 brigades; the 30th is now for plantains, because we have to work with plantains to grow them with aerial microjet irrigation. The Blas Roca will now have six agricultural brigades. We have moved it; it is building railways, it is building dams. Right now it is building fishfarming centers for aquaculture. It is building cold-storage centers. It is building hotels. It is building other civilian facilities. It is making a great effort.

There are hundreds of brigades organized throughout the country, working in a disciplined way, building a lot of things. When I say they are building dairy complexes, this is not just building the dairy complex. These contingents that are building a dairy complex build the dairy complex, the calf-raising centers, and the roads and highways for the plan. They build the towns, the towns the workers are going to live in. And they build them not only with houses but also with schools, childcare centers, stores, and family doctors' offices. They are entire communities; this concept had been lost.

They are located in eight places in the country, eight fronts in the country, building dairy complexes. In other

places they are building pig-raising centers. In other places they are building important projects for the country's development, important industrial projects. We have had to adjust some things in accordance with criteria about importance and priorities.

There are hundreds of brigades organized. Some of the equipment has been made by us, and therefore we should be capable of producing—as Pedrito said—the spare parts for this equipment. Other equipment is Soviet. We hope to receive some of those spare parts but in much lower numbers and with growing difficulties because of the structural changes they have made. So, we have a lot of Soviet equipment, and we are going to need make parts for these components, this equipment.

We have equipment from other East bloc countries. We do not know how we are going to get parts for that equipment, and we have to keep it in operation. We have Chinese equipment in construction, especially some bulldozers that I have mentioned. We will be able to buy some parts, but it would be better if we could produce a considerable number of those parts.

We have capitalist equipment, although very little. I can say that now there is not even 20 percent of our equipment that is capitalist in the brigades we have organized in the last three years. Sometimes we have combined a Japanese Komatsu with two or three Chinese Komatsu. They have the technology... [rephrases] just in case, to compare them. At the beginning we could not be completely sure about the equipment would behave. We have been able to compare them, and the equipment is working well, but before we combined them, a capitalist one with one of those.

Only 20 percent of our equipment that is left is capitalist equipment, if that. We could talk about values. Sometimes a brigade building a dam had two or three bulldozers, and two or three loaders, or one capitalist loader and two loaders we had built. We combined them also. We have to make the parts for this equipment. So there is, in the field of construction alone, to give you an example, an enormous and decisive field for your activities.

Now add agriculture to it, and the large number of pieces of equipment in agriculture. There are tens of thousands of pieces of equipment. In this case the vast majority of the equipment is Soviet. I can also say that this Soviet agricultural equipment is good. Those tractors are good. They are not sophisticated machinery, but they are tractors that can stand up to Cuban operators. That is great praise for any equipment. Tens of thousands of pieces of equipment.

It is true that less is being used, they are being saved because of the problems with fuel, but many tractors have to continue working. We are moving progressively toward the use of animal traction. We are domesticating 100,000 bulls to turn them into working animals. Possibly 100,000 more will be domesticated to be assured of enough for agricultural tasks, but there are some tasks...[changes thought] Right now we do not have all those animals available. It is a process, and there will always be many [words indistinct] an enormous field.

[Words indistinct] we have met with the eight directors of the miscellaneous crops enterprises in Havana Province, analyzing this whole program we are carrying out—how the potato planting is going, how the planting of each of the crops is going—and also to analyze some ideas about the utilization of Comrade (Bouza's) technology, which is multiple plowing. I am quite familiar with this innovation because we had a meeting of the Executive Committee of the Council of Ministers a few months ago. As soon as I knew there was such a thing as multiple plowing and that multiple plowing had some merits, and that multiple plowing saved fuel, we had a meeting and we invited Comrade (Bouza) to the executive committee to explain what it is, what its merits and advantages are, etc.

The multiple plow has to be accompanied by other equipment. It has to have a tiller to prepare the soil. Our industry has made some rigid ones. That means that they do not have any springs, and if they run into a heavy obstacle they may break. We are looking at other possible designs of a tiller that goes deep, that prepares the soil, but there is another tiller that cultivates, that does not go deep. We do have a flexible tiller for that, without springs but flexible.

The spikes it uses, the instruments it uses to cultivate can move. It is advisable to use this tiller after multiple plowing...[rephrases] that is, cross with this tiller, and agriculture has about 76 of these here in Havana Province. They had some problems. What Pedrito was talking about was happening. Those that made the equipment, both the tillers for cultivation—there are about 800 in the whole country—and these 76, not a single spare part had been made. And naturally, when they are in use and they run into a stone, they break.

The minister of the steelworking industry was present at that meeting. He agreed on a program to produce the parts they needed, the type of steel they had to be made from. They need a type of steel with a certain amount of chromium, so they are harder, and last longer. We analyzed all these problems. We found one of them. Both multiple plowing....[changes thought] Because multiple plows come in different sizes we have some to use with a large, 200-horsepower Japanese tractor, or to use with a DT-75, or to use with an MTZ. They are now preparing a design to use with the MTZ.

Sugarcane needs more powerful, larger multiple plows, and more powerful equipment, but they have already made three or four kinds of multiple plows for different tractors. The hydraulic systems have to work. We found out that about half of these DT-75 tractors in Havana Province have problems with the hydraulic system. Naturally, they did not need it because they were working with plows or harrows that were dragged. This equipment, however, needs the hydraulic system. There we found a serious problem. At that time, we called the

CATM [expansion unknown] at about 11 at night to find out what the situation with the spare parts for the DT-75 was, and of course there are problems with the parts for the DT-75.

You can see that the multiple plow technology and the things that have to go behind the multiple plow to prepare the soil in the best way and conserve fuel, can run into a very large obstacle if the problem of the hydraulic system is not fixed or resolved. We have enough tractors; the problem is with their hydraulic system. Of course, this need has arisen very strongly [words indistinct] multiple plowing. Without multiple plowing the DT-75 did not need the hydraulic system, because they continued to drag harrows and plows.

All this has its drawbacks because the plow has to be put on a trailer to take it to a different place, etc, since it cannot be taken on the road, while the hydraulic equipment can be raised and carried on the road. This is an example from agriculture, an example where there must be many. It gives an idea of the enormous importance of the work you can do.

Here, if we talk about the food industry, the food program is partly related to construction and partly to industry. It has an enormous need for spare parts. If we talk about basic industry, it needs a large amount of parts. If we talk about transportation, the need for parts is enormous. If we talk about the most modern research centers we have, and their equipment, they have a great need for parts. And especially for quick solutions to problems. So the country's entire economy greatly needs the efforts you are making and this need is increasingly becoming greater.

I would say that it is one of the greatest and most decisive needs in the special period. We have entered a special period. We are not in a situation of a very acute, very serious special period [words indistinct] must be ready, but we are already working under the conditions of a special period in many areas. You saw the problem with the newsprint. You have seen the measures in the area of electricity that we have had to take, and you cannot imagine what stresses we are working under with fuel and lubricants.

The sugar harvest has begun; vegetable planting is in full swing in this cold season. In this dry season the work on dams, irrigation systems, canals, plot drainage, rice, and all of that has intensified, and we are really at a time of great stress. There are all the combines. We must continue to use the combines. If there is fuel only for the combines, we must use it for the combines, because we would need 300,000 cane cutters to replace the combines. You can imagine the number of camps, the problems with food, clothes, shoes, and transportation that mobilizing 300,000 cane cutters would involve.

This is one of the areas in which we have to keep the machines working. We are really working under great stress; you cannot imagine. We have 3 million tons less of fuel. Three million, from one year to another, to keep the country functioning under these conditions, services, hospitals, schools, stores, sugar harvest, construction of the essential and priority things! Naturally the pace of construction has to decrease, at the cost of all those projects that are not essential in this period. The food program is essential, however.

The program for the development of tourism is essential. All the programs that have to do with the receipt of hard currency are essential. Therefore, construction projects that are nonessential will have to be sacrificed, but we hope that construction is not halted on a single dam, a single canal, a single irrigation system.

I am going to give you an example, so that you can see... [changes thought] because it exemplifies the effort that we are making. I spoke to you about the irrigation systems brigade for sugarcane. We have 45 of them already, counting the last ones that were organized in the quite recent past. They will take water to those cane-growing areas in which we have excess capacity at the sugar mills, excess capacity at the sugar mills [repeats], and there is not enough sugarcane. There are others that have a surfeit, they have almost more cane than they can mill, some of them because of drought or other factors. These have priority in the plot drainage work, and they also have priority for receiving water. Those 45 brigades will take water to certain cane-growing areas, which will make it possible to exploit industrial capabilities that are approximately equivalent to what is needed to produce 1.5 million more tons of sugar.

In the first quarter of the next year, we plan to organize 10 more brigades, to have 55. These 55 will provide the capability to produce 1.5 million more tons of sugar, without the construction of a single sugar mill. That is the equivalent of 15 new sugar mills.

Should I tell you what a new mill would require? Well, I will tell you. A new sugar mill requires some 1,500 caballerias. I believe that it could manage with a little less, but that is more or less what is assigned to a mill. To construct a completely new mill, with its lines and all that, it would probably require more than 100 million pesos. A new mill requires hundreds of tractors, hundreds of carts and trucks. A new mill requires 3,000 workers. Fifteen new mills would require 45,000 workers. They would require some 22,000 caballerias of land, and they would require, well, you can see the expenditure this implies. Many more social expenses, housing, etc. Well, we have capabilities that are not being used in those areas in which these brigades will be working, enough to produce 1.5 million more tons, which is what 15 new mills would produce. Is it worth it to make the effort to build the dams, to carry the water, to establish the engineering system?

How much would we have to spend to build 15 new mills? From 1.5 to 2 billion [currency not given]. How much does this equipment cost? I do not have the exact figure. I estimated, more or less, what they used to cost; but if we isolate the plot drainage brigades, the water

engineering system brigade, and the brigade that is building the dams and canals, it is highly unlikely that they surpass the sum of 150 million pesos in equipment. Let us say 200 million. I will ask someone to do the calculations, but let us exaggerate and say 200 million in equipment. It is the tenth part of what it would cost to build 15 new mills. This is the type of thing that we have to do, even during the special period, because as you know, comrades, sugarcane can be used for more than just producing sugar. We do not even know all that it is good for: to produce proteinaceous molasses and pork, or to produce sacharina and cow's milk. It is the raw material for making paper. It is the raw material for making many things, and every day we discover more uses for sugarcane.

If, in the same area, without having to find 22,000 additional caballerias, by providing irrigation, we can obtain the needed sugarcane, this can be useful, not just for meeting the world's demand for sugar—which is growing, because the population is increasing and needs sugar—but for doing many things. If we wish, we can use it for animal fodder. Everything. I can say that with the sugarcane that is needed to produce 1 million tons of sugar one can produce 3 million tons of sacharina. The same amount of cane gives me 3 times as much sacharina for cattle, which is a much afflicted sector of our agriculture because of drought, or because some areas of pasture were changed over to sugarcane or other crops.

As I was saying, in the special period, some things have priority. Why does tourism have priority? Because it produces income in freely convertible foreign exchange. Just think: For every [hotel] room, we should receive a gross income of some $20,000. If we make 1,000 rooms, we can increase our revenues by $20 million. If we make 5,000 rooms, we can increase them by $100 million, and if we make 10,000, we could increase our revenues by $200 million a year. This is gross income. In general, we would have to subtract other things later. Those are more or less general calculations.

Thus, those programs have priority in our plans. I have not told you that there is another area that is being developed and is not being halted: the area of scientific research centers, biotechnology products, and pharmaceutical products, which will not only give us a very solid base for our health program, but can also be sources of very important revenues.

Anything that has to do with those research centers or factories associated with the research centers is not being stopped for a minute. That is the kind of thing that cannot be halted during the special period. They have to be continued. The comrades who are helping at those vanguard research centers are making sure that machines are not halted. They are not only conserving the country's resources; they are also seeking speedy solutions of different kinds. Of course, if a center has priority, we cannot allow a machine to be halted because of a lack of materials. We would have to find the materials, right? The cost of a spare part is nothing in comparison with the value of what it produces. That is why I say that in this phase, your work has enormous importance. It is my hope that when we emerge from the special period, these good habits that we have acquired will never again be lost. [applause]

I believe that in waging this battle of the special period, we are waging two battles: The battle against present difficulties, and the battle for a much more efficient future utilization of resources. In a special period, things become much more efficient. When we say that one thing is essential, we stop what is not essential and proceed with the other. We do things, gentlemen, that do not occur to anyone in normal times, and if someone did think of them, we say that the one with the idea is crazy.

For example, I am going to give you a very graphic example. We are entering the era of the bicycle. Did you know that? Know this, because you are also going to have to develop the production of bicycle parts as something important. You know this very well. I know that you are aware of our country's realities. You people are very aware. We are beginning to distribute the first bicycles.

We began at a research center. We asked: How many of you need bicycles? We distributed 20, and then about 15 more, in a small center. [Words indistinct] Some people come and go from the corner of (Toyo) to the center that is near to this installation: 12, 13, 14 km. They have studied their route from their point of origin. Sometimes the route is longer to avoid a hill. They use the hill when they are returning home, to go downhill. They travel in groups if they are going in the same direction, then separate as they reach their homes. I was astonished by the bicycle. They are happy. Some travel 7 km in about 10, 15, or 20 minutes. Even those employees who live far away tell me: I spend about 37 minutes, no more. Let us give him 40 or 45 minutes. [The employee says:] At times it takes me up to one hour and a half to catch the bus. At times I take as long as three hours to come from my house to the downtown area. Compare this to 40 minutes, and that is an employee who lives far away.

I have seen that the comrades are truly happy, because, well, there is no gasoline, or battery, or anything that has to be changed, or the risk of riding while hanging out of a bus. That is what the bicycle is for, comrade. Most of them, if they are going to see their girlfriend, also go on the bicycle, so they are saving more than just the cost of coming and going to work. They do a lot of things on the bicycle.

Well, we began with them. We saw their case, so let us start with the youngest—the students. University students here in the capital are beginning the era of the bicycle. Some 10,000 bicycles have been distributed. Now they have to resolve the other problems brought by the bicycle: Where to keep it, the traffic, parking, millions of things that are already being worked out intensively. Such measures, however, cannot be implemented suddenly because the people think, why is that measure being imposed when there are not that many bicycles?

We have to wait until there are so many bicycles that everyone will understand that it is appropriate to leave a street for bicycles. If we leave a street for bicycles and only three bicycles ride on it, people will say: The people who left a street for bicycles are crazy. Within a few months, however, a great number of large bicyles will be circulating here, in the capital, at first. It is being given priority, not because it is the capital, but because it is the city in which people live furthest from their work centers. There is greater distance and more serious transportation problems.

Bicycles are now being distributed to a number of technological schools and other schools. Some research centers also already have bicycles. But soon, 200,000 will be arriving. Right now, we have a few thousand. I must say that the cadres of the communist youth, over on the island, all have their bicycles. The communist youths have some 3,000 bicycles and they have the right age for it and enough energy. I believe it is an innovation as important as [word indistinct] to conserve fuel.

Soon, we will receive 200,000 to be assemblied by technicians in the capital. We have purchased half a million more bicycles. We are establishing five bicycle factories and by next year there will be 100,000 Cuban bicycles, as for the year after that, we shall see. Now then, could anything be more healthy? Many people were concerned about doing exercises when they got home. Now they will have already exercised on the way home.

We have now discovered that the Netherlands has approximately 12 million bicycles. It is a very developed country, but it did this for ecological and health reasons. Now I say: If we are entering the age of bicycles, and if we get to the point of having millions of bicycles here, should we suspend our bicycles some day? Even if we have all the fuel that we wish? Well, when we have all the fuel that we need, we should use it efficiently, but even if we had the fuel that we do not have today, why should we give up the bicycle? It is a healthy custom, a very healthy custom for the people. You do not know what this means in terms of health for the people. I am sure that the era of bicycles is in our country to stay, even if later on we have fuel and a well developed automobile industry.

Let us suppose, however, that our fuel situation gets even more difficult. This city, with 25,000 trips...[changes thought] That is more or less what we have at this time; we have stopped there. It was increasing, but no. There must be no more than 25,000; there is no fuel. I want you to know that Havana City, with its buses and cars, used more fuel than all that is needed for the mechanized harvest of sugarcane. If at some time our fuel problem got worse and we had to stop something, would we stop our development? It is better for a large portion of the workers and students in the capital to travel by bicycle. If some day we were unable to continue to make 25,000 trips, or 20,000, or 15,000, and we had to make no more than 10,000, what we save would be almost enough for the mechanized harvest of sugarcane. Can the country stop the harvest because the machines stop working and 300,000 people have to be transported? That is why, in the special period, the bicycle can help us greatly. If we reduce what we spend on transportation by half, then that will be almost enough to meet one-half of the country's harvesting and agriculture needs.

Therefore, are we going to waste our fuel on those antediluvian buses? Of course, we cannot stop the antediluvian buses because we need them at this time. What would those of us who do not have bicycles do? This will give the country a great more flexibility and maneuvering ability in the special period.

I do not know if I am boring you by my reflections on this, but this explains why I said that I am well aware of the importance of what you are doing. So are the other comrades, and the Executive Committee and the Council of Ministers, and the party. Now, I do not know if the rest of the population understands this clearly enough. To cite some examples, I mentioned the case of the multiple plow. The multiple plow is a revolution. It interested us because it saves a considerable amount of fuel. It saves at least one-third of the fuel that is used in preparing the land for sugarcane and other agricultural products—at least one-third, and it prepares the land better. Both of those things are very important: saving fuel and preparing the land better. In addition, it conserves the soil, a third advantage. It is a worldwide revolution. As (Bouza) says: The soil is underneath, not on top. It is like the skin. If a man's skin is peeled, he dies. And the traditional plowing method was to take soil from underneath and put it on top, and put the topsoil below. The surface was put below. Then came the scraper and other equipment. The traditional equipment that man uses in agriculture works against the soil, and harms the soil. It promotes erosion.

That is why I say that the multiple plow has become a revolution in the preparation of agricultural lands. It goes below. It does not turn the soil over. It cuts the roots of weeds. As (Bouza) says, the plow plants weeds. They immediately sprout even stronger as soon as fertilizer is applied to the crops. The multiple plow helps to kill the weeds. It makes it possible to get under the soil when there is moisture that makes it impossible for the traditional plow to enter. If 40 or 50 mm of rain falls, the traditional plow cannot be used for 10 days. The multiple plow could probably be used within 72 hours. One cannot imagine the value of this. Let me give you an example. Garlic has to be planted before 30 November. Onions have to be planted before 30 November. Potatoes have to be planted before 30 December, and if they are planted before 25 December, it is even better. If almost all the potatoes are planted before 20 December, it will have been planted in an optimal period.

If there is rainfall—as in the past few days—when it was raining with some frequency, in other words, if it rains, you cannot lose 10 days. You have to make up the time, or else you will end up planting garlic on 15 December, or potatoes on 10 January. Potatoes planted on 10 January are already doomed to a large-scale reduction in

yield. Sometimes the land has to be prepared in a few weeks, and if rain falls, it cannot be done.

Sometimes this happens to the sugarcane when we want to comply with the planting schedule. In some places, it was a drought, and in other places it was rain that hindered the schedule. This also happens with many other crops. It happens often with fodder. The sooner the land is prepared, the more one take advantage of the rain and the optimal timing, and this is what the multiple plow makes possible. How many tens of thousands of tons of fuel can it mean? How much yield? How much productivity? How much can it mean in the conservation of the land? How much in fulfillment of plans? That innovation is truly a marvel.

We are no longer speaking of a spare part, because what we are discussing here are spare parts and innovations and creations and discoveries. This forum is not just a spare parts forum. That is what it is called, but this is a forum of inventions, and innovations, some of them revolutionary like the one we are discussing now.

How are we going to pay (Bouza) and the comrades who worked with him for their discovery, their innovation, their creation? Is it possible to pay for it with millions of pesos? How many millions would we have to give? After all, how much does this mean to the country? And so forth. I am citing an example that is known to me, but Panchito [not further identified] also came here, that marvelous nickel worker who was rewarded because he produced large parts, not little parts, but large parts that are basic to the nickel industry.

Ross was saying to me that there are 300 parts of this type in the country, around 300 in the different industries. Look at how important they are. If he....[changes thought] What were we talking about there? Because I found out that he wanted a foundry, and that he needed a foundry. Well, if we could make a foundry it would let us [words indistinct] and that [words indistinct] How long does it take to make a foundry? He said, well, it depends on how much it is pushed.

Well, tomorrow go find the site for the foundry and draw up the design, [words indistinct] the contingent that is there. We have 10, almost 8,000 construction workers there, and you do not have to use 8,000 or 800 or 100 or maybe even 80. We told the contingent to take the resources and start building the foundry as quickly as possibly. They say they already have many of the parts the foundry needs; and what we want now is for them to say what the foundry needs, so that we can begin building the foundry this month. The land is already being prepared and all that. [applause]

These are things typical of the special period, and that is the style of the special period. This is what we are doing with the biotechnology industry and others. In a matter of hours we reach a decision and find the site. The next day the architects and everyone are there, and maybe before a month passes the earth-moving work begins. We are building factories in five, six, and even four months. These things are characteristic of the special period. This is what the Soviets did at the time of the Motherland War [World War II]. They had to transfer hundreds of industries to Siberia and they did it in the middle of the war. They built them in a matter of weeks. They placed the lathes in the open, on the snow, to produce parts. We have to work in the same way. This is how we need to struggle. This is what.... [changes thought] The peoples that are truly strong, courageous, patriotic, and revolutionaries to this. This is what the special period is about. We are not in the same situation they were in but there are similarities. If we do not act in this way we will not be able to overcome difficulties and the difficulties will overcome us. We have to act in this way during the special period.

Another comrade spoke about an innovation for the Zil-130 truck. In some cases they could get from 12 to 13 kilometers per gallon. The Zil-130 is a ruin on wheels. The P and G models are good. The truck is sturdy but it needs an oil field and a refinery backing it. There are from 40,000 to 50,000 of those trucks in the country. This is the type of truck the Soviets sent us. Great. They supplied us fuel. They developed just economic relations with us. Well, we did not have money to go out and look for another truck. In all fairness, it would have been better to get Soviet fuel and a truck that went 15 km per gallon. We had the truck, however.

More and more Zils were used in the sugarcane harvest and other activities. There was a time when we began making efforts to change their engines to more efficient diesel engines. We even bought some thousands of Romanian diesel engines and installed them on the Zil-130. All of those that are being used—some of them—in irrigation systems projects have Romanian diesel engines. Those engines worked out. To tell you the truth they were very inexpensive for us. They gave us credit for those engines and we bought them. The gasoline-run Zil-130, the 131, the Gaz-53, and Giron-6 installed on Soviet chassis are a ruin on wheels. We should say this with all honesty. We also tell this to our Soviet friends. [chuckles] It is not our intention to offend our Soviet friends but these are truths. We have talked about this before. It is the truth. It is a reality.

They neglected the efficiency of the engines. I believe this came about during time when gasoline was plentiful in the Soviet Union. There was more than enough because fuel oil was used in factories and there was a surplus of gasoline. Apparently the best way to dump the gasoline surplus at the time was to feed the engines that consume a gallon of fuel per six km. Do you understand?

This also happened to us with bagasse when bagasse was no good. Bagasse was considered a nuisance and trash. It was not used to make paper, wood, or anything. It was not seen as fuel. Sugar mills were built with extremely inefficient low-pressure boilers and could not burn bagasse. That is, the inefficient boilers that appeared in our sugar mills were a result of the need to solve the

bagasse problem. Not now. We now struggle to get more efficient boilers. We try to get a surplus of 20, 25, 30, 35 [measure not specified] to use the bagasse. Other factories can operate with bagasse. Bagasse is oil. The bagasse production of our sugarcane sector is equal to four million tons of oil.

This is why the sugarcane industry is such a noble one. It spends little. Why? Because it works with bagasse. Obviously, this is what happened. Some of these engines are terrible. There must be around 100,000 of that type of equipment—including the Giron and Gaz-53 trucks—in the country. I do not have the exact figure but this is an estimate considering the years we have been using those chassis. There are different types of trucks. Perhaps there are a little less. Maybe there are 80,000. But the figure is between 80,000 and 100,000.

Imagine a device that saves, a device that saves or doubles, or increases by 50 or 30 percent the gasoline consumption of those vehicles. There would be at least tens and tens of thousands of tons of more gasoline. Nobody knows how many problems it would solve. It is excellent. That is worth millions.

There is not enough money to pay for that. I said: Should we give these people an award? People used to get vehicles as awards here. Vehicle distribution has stopped completely. I was asking myself this because they were asking questions. Innovations that save or can save tens of million tons of fuel have been made. Should or should not they be rewarded with a vehicle? I asked myself this. I thought about it. I figured how much the innovation for the Zil trucks was worth. It can be used not only to Zil trucks but to Giron-6 and any other truck. I imagine it can be used with other gasoline-run engines. Is that not true?

[Unidentified speaker] [Response indistinct].

[Castro] What is the difference between the Zil and Giron-6?

[Unidentified speaker] [Response indistinct].

[Castro] There is a big similarity.

[Unidentified speaker] [Passage indistinct].

[Castro] No, in the amount of gasoline it consumes. [laughter]

They are the same. Studies need to be made to find a solution. The two innovations in the area of fuel—there were two more awards—for any fuel-run vehicle. They can save.... [changes thought] How much did they say it saved? I was told from two to 14, up to 16. [measure not specified] Imagine that they save 10. With one-half million of vehicles, this would be 50,000 tons. We could do a lot of things with 50,000 tons. We will also get the fuel those vehicles are consuming. These are extremely important innovations, discoveries, and creations.

What we need to do now is to apply them right away. Not a single minute should be wasted. Whatever has been tested should begin to be applied in all Zil-130 trucks immediately. The others should begin to be applied to gas-run vehicles immediately. They should first be installed in the 19 we are going to give, Pedrito, to the recipient of the 19 special awards here. [applause] They should be delivered with the innovation installed. An exception has to be made to [words indistinct] and in recognition of the fuel saving innovation they have made.

Yes, we will not import a single automobile next year. We have some saved. We have a reserve for very exceptional circumstances. We are not going to give you Moskvich cars, we are going to give you a Lada-2105. They are more economical. [applause] Is it clear? Nobody should complain, nobody should complain [repeats]. If they want a prize let them invent something to save fuel. This is the only thing that justifies us from making an exception and say: Let us spend a little gasoline of those tens of thousands of tons we are going to save. Is it clear?

Pedrito, how much gas does a car consume a year? What is the average? You do not know? Nobody knows. Is there not an innovator who knows it? Figure it out based on 20, three gallons is a lot. [as heard] Well, figure it out based on two. Say they are two, eight, 10 liters. One thousand liters? One ton. We are going to save 19 in those comrades. But I will be happy if they spend twice as much and I will be happy if they spend three times as much for one reason, because I am certain that they are going to be moving around at the service of innovations, science, and technology. [applause] This is the most profitable spending [words indistinct] it is the most profitable spending.

The examples speak for themselves. [words indistinct] in the areas of medicine [passage indistinct] The Ikarus buses' springs. How could I forget this? The Ikarus springs. They are recovered and used again. I asked if he was going to [words indistinct] a third time. He told me: That is very difficult because it loses its qualities, the steel is stressed, and so on. Do you know what it is to double the life of an Ikarus? On one hand it is a disgrace. [laughter] As long as we do not have anything else and we have to buy those springs, we are lucky. This is the situation we truly have at this time.

I also wanted to tell you comrades that there is an area in our country—science—in which enormous efforts are being made. There are many scientific groups that are working with total dedication. They are creating excellent possibilities for the country. I could say that there is a certain scientific explosion in our country at this time. What you are doing is part of this scientific explosion. Each one in his position, each one in his place is contributing to this. We have cited some examples of innovations and inventions that have been done on the job.

This is the result of several things. Of course, it is the result of the large number of talented people who have accumulated during these years of the revolution; engineers, technicians, and skilled laborers. It is the result of our workers' patriotism. Some of these important innovations have been done by mechanics and workers who do not have a college degree. They have also been making their important contribution. This is a result of their natural talent, their love for the country, their patriotism, and revolutionary and creative spirit. All this needs to be added to the effort scientists are making.

Now science is starting to yield a lot of results. We will give an example: The meningitis vaccine. Already children up to 14 years old are protected in our country. Soon all the children in the country up to age 20 will be protected. You can see this only on the domestic level, regardless of the great external demand for the vaccine. A great demand [words indistinct].

Just on the domestic level it means peace of mind for how many people? How many children are born in the country, 170,000, 180,000? There are 180,000 mothers who, once they have vaccinated the child, can be sure that it will not....[changes thought] Before, every time a child had a fever, they believed it was meningitis, because of the number of cases of the illness and the consequences of the illness and the number of deaths. Do you know what the peace of mind of 180,000 mothers is? Now multiply that by 10—180,000, or if you want to make it a little less, 170,000. That makes 1,700,000 mothers of children up to 10 years old.

Multiply it by 20, and that makes...[corrects himself] I mean by two, and that makes about 3,400,000. Take away a certain number, keeping in mind those who have two or three children—there are not many of those—and there are at least 2,000,000 mothers. Add 2,000,000 grandparents, subtracting the proportion of those who have not lived to an old age. And add millions of aunts, and brothers and sisters, and relatives, and you have peace of mind for 10 million inhabitants of this country. Is that not so? So you can see what a vaccine means. [applause]

No other country today has the protection Cuba has against this illness. Think of the skin growth factor, to care for people with any kind of burns. Soon now all our hospitals will have the skin growth factor. Next year we will have all the hepatitis B vaccine the country needs, produced in our centers. A brigade of the Blas Roca Contingent is completing construction of the Center for Biological Products, to produce millions of vaccines of this kind, in Bejucal. And soon they will begin the second phase for (?anti-viral) vaccine production. This offers an important source of income for the country [words indistinct] all security for all those who are at risk of getting these illnesses. And in addition, [words indistinct] problem of liver cancer, the main cause of liver cancer, viral hepatitis B.

They are working on many new things that not only solve problems for our country but open great possibilities of income for the country. It is clear that science is now becoming a very important instrument for the revolution. We are going to continue to promote this movement. A few days ago I was talking with a group of professors at the University of Villa Clara who are developing a very broad spectrum antibiotic, which besides being an antibiotic is a fungicide. They have made many tests; they are progressing rapidly.

Wherever there is a group of scientists, at a university-....[rephrases] We have to get all the universities—the chemistry and engineering departments—to participate in this scientific production. The state gives them all the cooperation and all the resources these groups of serious, talented people need to participate in this scientific production. We are giving science a great boost.

They needed to have a laboratory built, and it was the same style as this thing of the [word indistinct]. They arrived on a Tuesday, and they already had their work schedule. On Wednesday they were already back in Las Villas and working at high speed. This laboratory will be built in about three months, I would say. It is not much; it is not very big. The equipment they want may take longer to arrive because it has to come by plane. This is so they will push—they are going to make products—push research, the tests, of this antibiotic, push [words indistinct] production also.

Then when we have the results, we will make rapidly and at great speed the laboratories we need. We cannot yet do this although already several of the products have brought very good results in animals. Then we say: How much of this must we produce, what will the demand be? We are going to build whatever capacity is needed at great speed. This is the style we are working in now in the special period.

Of course, there are many things that were done this way by the revolution at a given time, but then there came some vices, some negative tendencies, and construction projects began to take forever. That center, (?CENPALA), that was mentioned here—a contingent was created about a year ago, and in that year it has built more than in the previous eight years. It had taken forever. The Biological Products Center in Bejucal had also been underway for many years. A contingent has done in less than half a year, in less than a year, more than had been done in seven years previously.

(?You cannot build) a research center and finish it in 10 years. When it is finished, it will already be old, and the technology will be obsolete. We cannot even think that a research center can take longer than two years to build, ever. We are building factories in months, well done, without sacrificing the quality of construction they should have. For some of these laboratories, some of these facilities, the construction work is very important, the quality of the construction work is very important.

Others are not that way; they need slightly less sophisticated construction work. Whatever the type of construction work it is, its characteristics, it is done very quickly, very rapidly.

They also worked in this movement. They brought us the proposals. They made hundreds of presentations, which, well, because of the nature of the research, because of the secrecy in the sense of the need to preserve the technology, because when we do something new it is with new technology, we cannot publish everything. We have been not able to publish some of these research projects, or maybe many, or if it could have been done it was done, with the people in defense.

They come, it is studied. I do not know how many find out. Some things have a technology that it is not a good idea for many people to know about because then the competition comes. They find out, they get the technology and they begin to compete with us using our own inventions. There are many inventions that should be published so they can be analyzed quickly, and others that must be handled with some care.

We are going to study having scientists also participate in future fora, within their area, an area as was done with the students, or as was done with the Ministry of Defense, and also include the scientists in these fora. When they do not want to give a lot of information, they do not have to give the information but explain what they have done and how they have done it. This same thing I was mentioning about the antibiotic, maybe they can bring the results of what they are doing to the next forum. It would also be a good idea to incorporate the scientific centers in all their categories [words indistinct] various categories.

I think I have imposed quite a bit on your patience already. I have also said in general what I wanted to say. I can only express that I feel very encouraged and very satisfied with the effort you have made, with the contribution you are making to the country, to the revolution, and to socialism right now because this is how socialism is built, by working as you are, working. This is how socialism is defended. There is no way capitalism can have a movement like this. A selfish society, an exploiting society, a looting society cannot have men like the ones we have mentioned here—men who make contributions to their country that cannot be compensated in any world currency.

They do it in a modest way. Here we talked about the fact that many of those participating in this movement—not the movement, but the work groups, the state groups—do so for publicity. I was remarking with Comrade Ross whether it would not be a good thing to study the possibility of keeping a permanent exhibit in Expocuba of the results of these (?efforts). [applause] We could find room for it, a location for it. It is true that it could be located by categories, if you want to locate it by categories. But in addition to location by categories, an exhibit all together, like the one you say you have there. I intend to go see it.

We could find room for it, so that you would have a permanent exhibit of this movement's achievements, there in Expocuba, so that the hundreds of thousands of people who visit it will see them. We should not only publicize it in the newspapers, pamphlets, and meetings, but also through a permanent exhibit. If this idea is good, if this idea is useful, if it is possible, we will be very glad to support it, so that you will have that permanent exhibit.

Finally, comrades, I want to express with emotion, sincerity, enthusiasm, and optimism your work deserves—and thinking precisely that the fatherland and socialism are built the way you are building them—socialism or death, fatherland or death, we will win! [applause]

Some people here say that in order not to lose momentum—I do not know what you will think about this—the next forum should be held next year, more or less, at this same time. [applause]

[Ross, interjecting] To confront the special period, and begin to attain economic independence. Do you agree?

[Audience] Yes.

[Castro] It is not a lot of effort for you?

[Audience] No.

[Castro] You think that you can continue to develop and create things?

[Audience] Yes.

[Castro] Do you agree with having a forum next year?

[Audience] Yes.

[Castro] Good. We will vote, then. [laughter] Very good, passed. [applause]

Castro Attends Fourth FEU Congress Opening

FL1912190590 Havana Tele Rebelde Network in Spanish 1800 GMT 19 Dec 90

[Report on statements by Fidel Castro and Felipe Perez Roque, president of the University Students' Federation (FEU) at the fourth FEU Congress; place and date not given—passages within quotation marks are recorded]

[Excerpts] [Passage omitted] [Perez] "We begin our congress with the joy of having among us the first delegate elected to this congress, our commander in chief. [applause] His presence, along with that of the other comrades from the party and government leadership, is a clear message to those who here or in the classrooms delude themselves about Cuban students and young people. His presence among us translates clearly

into these terms: In Cuba the university students, like our people, are on the side of the revolution, on the side of socialism, on the side of Raul [Castro] and Fidel." [applause] [passage omitted]

The report presented by FEU President Felipe Perez Roque covers the main priorities of the university students at this fourth congress. The top one is to seek the most effective ways of helping the country and the revolution under current conditions.

[Perez] "How are our universities preparing to confront an inevitable special period in peacetime? How can we cause the country less and less expense? How can we apply our talents to the task of helping the nation? We have to say, of course, that in the Third World only a country like ours can handle this situation, because we know that no one will be left out, and above all, in spite of the most severe material shortages, the justice of the revolution will always prevail."

Aspects of the functioning of the FEU structure, job placement of graduates, and other topics of interest were also the subject of discussion at this fourth FEU congress. Let us listen to some of them. [passage omitted]

[Fidel Castro] "This seemed to me a very good group, and it also reflects a spirit of developing the Villa Clara Central University, which works in a lot of fields, in agriculture, in chemistry, in a number of these things. So they are at the head of an important discovery, with this. This group came with all this information immediately, as in done with all the recently arising groups. They were given all the facilities, all the resources, so that they could set up a laboratory. They wanted to set up a laboratory to produce a ton of each of the four main products they had prepared based on this discovery they had made. It may be useful to the country, it may resolve internal problems, and it may be a source of income for the country."

Comments on 'Critical Period'

FL2012021990 Havana Television Service in Spanish 0100 GMT 20 Dec 90

[Report on Fidel Castro's statements to the Fourth Congress of the Federation of University Students (FEU); place and date not given]

[Excerpt] [Passage omitted] The challenge university students have before them is to be up to the tasks of these times. This is as important as the mission Mella and Echevarria carried out during their time. It is as important or perhaps even more so. As Fidel said, today's task requires all man's intelligence and creative spirit because it is a matter of all of us saving our future as a nation.

[Begin Castro recording] We have to have the ability to keep universities open during an extremely critical period. This is what we need to think about more. Well, it is easy in some places and more difficult in others. We are doing things. The distribution of bicycles is part of the preparation for extremely critical periods and even not-so-extreme periods. We are managing as you can see. We need to think about more difficult circumstances. [end recording] [passage omitted]

Ministry Announces End to Czech Representation

PA2012015890 Havana International Service in Spanish 0003 GMT 20 Dec 90

[Text] The Cuban Foreign Ministry has learned of the Czechoslovak Government's decision to discontinue representing Cuban diplomatic and consular interests before the U.S. Government. This action by the Czechoslovak Government corresponds with the current situation whereby the socialist Czechoslovak system, that in 1961 took up this representation, no longer exists.

The Cuban Foreign Ministry will have to find a government that is able to represent Cuban interests before the U.S. Government, with sovereignty and responsibility.

Students 'Reject' CSFR Decision

FL1912133890 Havana Tele Rebelde Network in Spanish 1252 GMT 19 Dec 90

[Text] The International Seminar of Students for a Better Future closed today at the Enrique Jose Varona Teachers Institute after two days of intensive debate on the problems that affect the student movement.

The delegates signed a resolution rejecting the Czechoslovak Government's decision.

Tamayo Named Soviet Friendship Association Head

FL2012034390 Havana Radio Reloj Network in Spanish 0323 GMT 20 Dec 90

[Text] The leadership of the revolutionary government has appointed Colonel Arlando Tamayo as president of the Cuban-Soviet Friendship Association at the proposal of the Cuban Institute of Friendship with the Peoples [ICAP]. Tamayo, first Latin American cosmonaut, was presented during a solemn ceremony held at the ICAP headquarters as the continuator of the work of friendship with the USSR which the institution has been carrying out since it was founded in 1969.

Also at the ICAP headquarters, its president, Sergio Corrieri, received the outstanding Colombian intellectual, Claudia Pachon Perez, director of the [words indistinct] theater in Bogota. Corrieri explained to the visitor the work of the institute in promoting friendship and cultural exchange among the peoples of our America.

Anguilla

Finance Minister Fleming Presents National Budget

FL1912155590 Bridgetown CANA in English 1209 GMT 19 Dec 90

[Text] The Valley, Anguilla, Dec 19, CANA—This isn't the best time to look for a job in Anguilla's civil service. Finance Minister Osbourne Fleming says civil service recruitment will be largely frozen in 1991. Salary scales for the next two to three years will also be frozen, Fleming reported when he presented the national budget.

At the same time, people in this tiny British colony could find themselves paying more for a number of services. Fleming said birth and death certificate taxes, property taxes, as well as other non-income taxes, and hospital, dental, and customs overtime fees may be revised to reflect inflation. The government appears concerned with containing public expenditure, increasing revenues, and improving corporate and public accountability.

The budget provides for 33 million dollars (one East Carib dollar = 37 U.S. cents) of recurrent spending—7 million less than 1990. It projects 15 million dollars capital spending on five new schemes financed by the British Government. Another 1.5 million from Britain may also be available over the next three years, according to the finance minister.

A new customs tariff is planned and Britain will provide two customs officers to help implement the new system and "generally to improve revenue collection and procedures" here, the finance minister said. A customs-designed companies registry to computerise all records will also be established.

In the area of banking, Fleming said the Finance Ministry is now accepting applications for new bank licences, after receiving British assistance in "cleaning up the island's offshore portfolio" and cancelling 30 licences in a review of 43. Government also plans new legislation to control the operations of the locally licenced banks, the minister announced.

Haiti

Conacom Welcomes Aristide, Calls For Coalition

FL1912201090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Dec 90

[Excerpts] [passage omitted] The National Congress of Democratic Movements Party [Conacom], headed by Victor Benoit, who was initially designated the National Front for Change and Democracy [FNCD] presidential candidate at the FNCD national congress last October, expresses his appreciation of the choice made by the Haitian people. He welcomes the historically significant victory of the presidential candidate, Jean-Bertrand Aristide, and extends his congratulations to all the those elected within the democratic sector, all those who will win in these elections for the Communal Section Administration Council [CASEC], city hall, senate, and parliament, and especially to the candidates of the FNCD, including candidates from Conacom and other political organizations within the FNCD.

This victory is the result of serious effort, patience, and perseverance on the part of the democratic organizations, the charisma of Jean-Bertrand Aristide, and the determination of the nation's majority. This triumph has several implications. First, it indicates a definitive break from a repressive, corrupt system. It clearly affirms the Haitian people's claim for justice. [passage omitted]

Conacom offers its congratulations to the Provisional Electoral Council [CEP] for their exemplary work in coordinating the functioning of 14,000 Bureaus for Registration and Vote [BIV's] despite the numerous obstacles which stood in its way.

Conacom also appreciates the international solidarity which was an important factor in the success of these elections, as well as the effective work of the Haitian Army in providing security. The Army proved that it is possible to achieve great results when there is real will. [passage omitted]

Conacom advises that from the time they held their first congress until FNCD was organized, they had always worked for the unity of the democratic forces. They thus insist on the necessity of a government of a parliamentary coalition that can resolve the country's crisis. To create a parliamentary coalition government, the elected officials must unite to form a parliamentary bloc to guarantee the political stability necessary so that the national reconstruction enterprise can actually be achieved.

Conacom also insists that the various political sectors accept the results of the elections and play the democratic game in accordance with the 1987 Constitution. [passage omitted]

This note, issued by Conacom, was signed by its secretary general, Victor Benoit, and its assistant secretary general, Jean-Claude Bajeux.

FNCD Urges Citizens To Wait for Final Results

FL2012012090 Port-au-Prince Radio Metropole in French 1700 GMT 19 Dec 90

[Passages within italics are in Creole]

[Text] Jean-Bertrand Aristide's party, the National Front for Change and Democracy [FNCD], asks the population to remain disciplined while waiting for the definitive results of the balloting which will confirm their great victory in last Sunday's elections.

The FNCD also asks the population not to let anyone brainwash them into demonstrating in the streets without reason. FNCD believes that the people must act with great

intelligence preventing the enemy from finding any excuse to break up the FNCD victory. Everybody must understand that democracy is now being established. The country will march under the flag of the law. There will be no uprooting, no personal revenge. Beware of those who are provoking trouble to ruin the FNCD reputation and name.

The FNCD congratulates the Haitian Army for the positive example they set during the 16 December elections. The people are proud of them. The Army must stand by the avalanche government for change in order to save Haiti.

The FNCD has already brought victory to all of its candidates. Wait for the CEP results quietly because there is no opportunity for crooked dealings. The entire world has already acknowledged that the people have elected their first-class rooster.

This press release was signed by FNCD representatives, Evans Paul and Turnep Delpe [as heard].

Further Presidential Election Results Provided

FL2012000590 Port-au-Prince Radio Metropole in Creole 1700 GMT 19 Dec 90

[Text] The results of the elections are coming out in bits and pieces, and very slowly. According to the latest figures, based on 296,653 ballots, Jean-Bertrand Aristide of the National Front for Change and Democracy leads with 65.72 percent. The National Alliance for Democracy candidate, Marc Bazin, is second, with 12.19 percent of the votes. Louis Bejoie II of the National Agricultural Industrial Party accounts for 8.82 percent. Several governments have already congratulated Jean-Bertrand Aristide as the new president of Haiti.

More on Election Results

FL2012015190 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 19 Dec 90

[Excerpts] The Provisional Electoral Council [CEP] is working on election results which still confirm Aristide's victory in the country's nine departments. National Front for Change and Democracy [FNCD] candidate Jean-Bertrand Aristide has received 65.9 percent of the vote. Marc L. Bazin is far behind with 12.21 percent, while leader of the National Agricultural and Industrial Party [PAIN], Louis Dejoie, comes in third position with 8.45 percent, based on the numbers of counted votes. These are partial results. [passage omitted]

Based on a total of 322,917 counted votes, Father Jean-Bertrand Aristide received 212,119; Marc Louis Bazin, 39,416; and Louis Dejoie, 27,287. Percentages fluctuate among the nine departments of the country. In the West Department, Father Aristide got 90 percent. In the Northeast Department, he received 85.93 percent of the votes, but in the Artibonite Department, he got only 55.13. For Marc Bazin, the percentage is higher in the Northwest Department, with 24.34 percent of the vote, and 17.48 percent in the Artibonite. [passage omitted]

The other eight candidates are very much behind. We are awaiting final results from the CEP.

State Council Congratulates Election Contributors

FL2012004090 Port-au-Prince Radio Metropole in French 1700 GMT 18 Dec 90

[Text] The State Council offers its congratulations to everyone who contributed to the success of the general elections, the preparation for which gave rise to so much apprehension, but so much hope. Congratulations are addressed to the Provisional Electoral Council, to government authorities, the Haitian Army, to the international organizations, the governments of friendly countries, but mostly to the Haitian people.

Like everyone else, the State Council is anticipating official results of the balloting. It hopes to bring its collaboration to the elected government with the same determination it has been providing since last March, and in spite of the delicacy of its patriotic mission.

The State Council asserts that these elections are the first steps on the long, difficult, democratic road toward establishment of an orderly regime. The nation is determined to start with courage.

Mitterrand Congratulates Aristide, Extends Support

FL1912192090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Dec 90

[Text] President Francois Mitterrand sent a congratulatory message to Father Jean-Bertrand Aristide, the new Haitian president, on Monday, assuring him that France will continue its efforts to help Haiti, according to a communique published today by the presidency.

The elections show the Haitian people's commitment to democracy and justice, according to the French chief of state. France, which has always supported the Haitian people, will continue its efforts to promote Haiti's economic and social development. President Mitterrand expressed his hope that the friendly relations between France and Haiti will continue to develop. I offer you and the Haitian people my best wishes for success, he said.

That is the position of the French Government and President Francois Mitterrand, according to the congratulatory message he addressed to Father Jean-Bertrand Aristide Monday.

Jamaica

'Good Year' Predicted for Bauxite Industry

FL1912161590 Bridgetown CANA in English 1133 GMT 19 Dec 90

[Text] Kingston, Jamaica, Dec 19, CANA—Jamaican officials are predicting another good year for the island's

bauxite/alumina industry. Executive director of the Jamaica Bauxite Institute, Dr. Carlton Davis, said he was optimistic that the industry would "hold its own" in the new year—despite predictions of a world recession and the threat of war in the Persian Gulf which could push oil prices to more than 60 U.S. dollars a barrel.

Davis, who was giving reporters a review of the sector, said that Jamaica was expected to attain earnings of U.S. 700 million dollars at the end of the year. Total bauxite production showed a 15-17 percent increase, moving from 9.4 million tonnes in 1989 to nearly 11 million tonnes in 1990. Alumina production jumped 26 percent from 2.2 million tonnes in 1989 to 2.8 million tonnes in 1990.

Davis said a number of factors including higher oil prices and hikes in the cost of caustic soda, an important ingredient in making alumina, had taken a bite out of earnings. He noted that significant effort had been made to reduce oil use which dropped from 3.6 barrels per tonne of bauxite in 1974 to just over 2 barrels per tonne of bauxite at present. The Alpart plant, he noted, was still the most oil-inefficient in the industry.

Initiatives are also underway to improve the the use of caustic soda, the price of which rose nearly five times since last year. Jamaica spent nearly 100 million U.S. dollars on caustic soda last year, Davis renorted.

He said there were plans for a feasibility on a new alumina plant carded for the north coast parish of Trelawny. This could take up to 18 months to complete and would involve costings and determining ore reserves, he reported. Pre-feasibility work on the U.S. 1.5 billion dollar project was completed in November.

On the re-opening of the former Reynolds bauxite plant at Lydford, Davis said it depended on whether the potential investors could find a market for the bauxite. A number of investor including the Soviet Union have expressed an interest in participating in a joint venutre to re-open the plant, but to date there has been no firm agreement.

Davis pointed out however that the government will have to decide by next year whether or not alternative uses will have to be found for the plant site. Reynolds closed down its Lydford plant six years ago citing the downturn in the world bauxite/alumina market.

Trinidad and Tobago

Robinson 'Disappointed' by Opposition Victory

FL1912220790 Bridgetown CANA in English 1324 GMT 19 Dec 90

[Text] Port of Spain, Trinidad, Dec. 19, CANA—Trinidad and Tobago prime minister, A.N.R. Robinson, is disappointed by the loss of Monday's by-election.

"I am disappointed but I must congratulate the victor and I look forward to his contributions, especially in the light of his previous position in the Finance Ministry," Robinson said.

Ken Valley, the successful People's National Movement (PNM) candidate in the Diego Martin by-election, worked in the Ministry of Finance during the PNM government. The ruling party's candidate for the election, former Health Minister Clive Pantin, has quit politics, following his defeat by more than 1,000 votes. He admitted that at one state the ruling National Alliance for Reconstruction (NAR) had hit "rock bottom" but said it was moving upward again.

"I have no doubt about the future of the NAR. The support of the NAR is sound. We have a firm foundation on which we can build," he told reporters.

The prime minister said he would not ask Pantin to remain in the Senate but said his resignation from political activity was a loss to cabinet. He said the party would have to meet and assess its standing in light of the defeat. Robinson said the party had hoped for a large turnout of voters for the by-election but usually fewer people voted in a by-election than in a general election.

"If 50 percent of the electorate voted, it was reasonable to expect the PNM to get about 28 percent. We expect a higher turnout in the general election," he said. General elections are constitutionally due by December next year.

Robinson said the election proved the NAR's commitment to democracy. The by-election was to fill the seat made vacant in Parliament after the death of former government parliamentarian Leo des Vignes. Des Vignes died while undergoing an operation for a gunshot wound sustained during a Muslim group's attack on the Parliament on July 27.

El Salvador

FMLN Rejects Puntarenas Declaration

PA1912220190 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Dec 90

[Text] By coincidence, the last names of the five Central American presidents happen to begin with the letter C: Cristiani, Chamorro, Cerezo, Callejas, and Calderon.

We have an R for the five C's. We flatly reject the Puntarenas Declaration signed by the five C's. The possibility of playing the role of policeman in the Salvadoran conflict has been discredited by that irresponsible declaration, which is clearly not in keeping with reality.

The five C's did not even consult with the UN secretary general to get his opinion on the situation and the outlook for the negotiating process between the FMLN [Farabundo Marti National Liberation Front] and the Salvadoran Government.

On the contrary, instead of consulting a completely informed and neutral organization, the presidents only listened to Cristiani, a judge and jury. The Puntarenas Declaration was filled with incorrect statements and invalid assessments.

This concerns us because by taking such action, the five C's eliminate the possibility of positively contributing toward resolving the conflict. Worse yet, the declaration, for all practical purposes, obstructs the negotiating process. [Words indistinct] FMLN and an immediate unilateral cease-fire, disregarding the Caracas agreement, which requires the signing of political agreements before a cease-fire is reached.

The Central American presidents do not need to convince the FMLN of the need to hold negotiations. It is more important that they be convinced that in El Salvador, despite the Cristiani propaganda, there are two powers. They should be convinced that a serious negotiating process has been implemented. It is unwise and goes against political thinking to reject the interests of one side, because by doing so, they are ruling themselves out of any effort to contribute toward promoting negotiation, peace, and democracy in El Salvador.

A big R of rejection to the five C's in Puntarenas.

Guatemala

* Reportage on Guerrilla Activities

* ORPA Burns Property

91CA0033A Guatemala City SIGLO VEINTIUNO in Spanish 7 Nov 90 p 7

[Text] The night before last, ORPA [Revolutionary Organization of the People In Arms], the armed component of the URNG [Guatemalan National Revolutionary Union], set fire to the Torolita, S.A. ranch, located at Kilometer 62 on the road between Escuintla and Taxisco, causing damages exceeding 100,000 quetzales.

The reports received in Guatemala City yesterday said that at 1920, 40 men dressed in olive green entered the ranch, owned by retired Colonel Carlos Bracamonte Morales, 66, who at that time was in the main house watching television.

These unknown persons set fire to the offices, shops, and two tractors. When Colonel Bracamonte opened fire at these criminals, they fled from the scene.

The ranch manager, Angel Ruben Soto Pineda, said that the subversives were led by a young woman, who issued the orders to burn the ranch property.

Col. Bracamonte telephoned the Escuintla Volunteer Fire Department. Three units were sent to bring the fire under control.

Because of the firemen's quick response, the tractors were not completely burned.

According to Col. Bracamonte, the subversives stole some radio equipment used by the ranch administrative personnel.

He said he did not know why the guerrillas decided to attack his ranch, as the farmworkers there are paid the minimum wage set by law.

Members of the National Police and Army conducted a search throughout the area for the guerrillas, but with negative results.

The same guerrillas had earlier attempted to burn the El Salto ranch.

* Farm Installations Burned

91CA0033B Guatemala City EL GRAFICO in Spanish 8 Nov 90 p 8

[Text] Another farm in the Escuintla department has been burned by ORPA [Revolutionary Organization of the People in Arms] guerrillas; they caused damages valued at 150,000 quetzales, reported the authorities.

The farm damaged this time is "La Esperanza," located at Kilometer 64 on the road to Taxisco, Santa Rosa, but it is within the departmental jurisdiction of Escuintla, where the "Torolita" ranch was burned earlier.

"La Esperanza" is owned by retired Colonel Rene Fernandez Alfaro, former vice minister of defense. He was not in the building at the time of the guerrilla action, which was carried out by about 30 subversives.

It was learned that the group burned the ranch administrative facilities, furnishings, firearms, utensils for everyday use, and other objects. After setting the fire, they fled.

Earlier the guerrillas had set fire to the "Torolita" ranch owned by retired Colonel Carlos Bracamonte, where they damaged some farm vehicles and stole a two-way radio with a four kilometer range.

* Military Post Attacked

91CA0033C Guatemala City SIGLO VEINTIUNO in Spanish 9 Nov 90 p 10

[Text] A few days before the general elections, guerrillas attacked the military post located at the entrance to the town of El Tumbador, San Marcos, an official source reported yesterday.

The concise report stated that the attack was perpetrated two days ago between 1830 and 1950 by a group of guerrillas who attacked the military post, using weapons of various calibers.

The report did not say whether there were any casualties on either side during the exchange of fire.

* URNG Seizes Weapons

91CA0033D Guatemala City EL GRAFICO in Spanish 14 Nov 90 p 7

[Text] Five Finance Ministry Guards assigned to protect the election sites and ballot boxes in La Reforma, San Marcos, were attacked by URNG [Guatemalan National Revolutionary Union] guerrillas, and their weapons and ammunition were taken.

This happened while the five guards were providing security for a voting site. The guerrillas took their weapons and ammunition, and then fled.

The guards who were attacked and disarmed were: Romelio Perez; Domingo Camaja; Andres Ruano; Cesar Cifuentes; and Francisco Siquila. Five M- 1 30-caliber rifles and five 38-caliber revolvers, along with 350 rounds of ammunition for the ten weapons, were taken from them.

In addition, at Las Trampas in Solola, unknown armed persons attacked a delegate to the Supreme Electoral College, Miguel Paiz, from whom they took papers related to the elections.

Mr. Paiz was traveling in a rented vehicle when he was surprised by the armed gang. He was not hurt, said the official, and his attackers escaped with the election papers.

* URNG Threatens Truckers

91CA0033E Guatemala City EL GRAFICO in Spanish 14 Nov 90 p 7

[Text] In Nenton, Huehuetenango, truckers have refused to use their vehicles, since on the eve of the general elections, the guerrillas threatened to set them on fire. The departmental governor has therefore intervened in the case.

It was learned in Guatemala City that on 10 November in Nenton, Huehuetenango, rumors began to circulate to the effect that the URNG [Guatemalan National Revolutionary Union] was ready to set fire to vans so they could not go to the election sites.

On 11 November, the information became more open, forcing van owners not to use them, for fear that they might be burned. Yesterday the same situation prevailed.

Guerrilla Propaganda in Huehuetenango

It was learned that in Huehuetenango, the guerrillas have been distributing a great deal of propaganda calling for the vote in the recent general elections held all over Guatemala to be overturned.

Fliers and leaflets have been found at various places in Huehuetenango, the capital city of the department bearing the same name, which is one of the most densely populated in Guatemala. The guerrillas have been extremely active there of late.

* Other URNG Activities

91CA0033F Guatemala City EL GRAFICO in Spanish 14 Nov 90 p 7

[Text] New incidents involving URNG [Guatemalan National Revolutionary Union] troops have been reported in the interior of Guatemala, according to military officers.

In Solola, the guerrillas stopped a van belonging to the "Velasquez" company, near Kilometer 117, and asked the passengers to cancel their vote. They also painted slogans to that effect on the vehicle.

In Tejutla, San Marcos, in the village of Los Arcos, the URNG painted anti-election slogans; in Comitancillo, also in San Marcos, they stopped buses to ask if there were troops in the departmental capital.

In Joyabaj, Quiche, they distributed anti-election fliers. In Panajachel, Solola, they set off a "pamphlet bomb" which scattered propaganda against Guatemala's general elections.

In addition, in the capital at 12th Street and 10th Avenue in Zone 14, eight pounds of metal implements were reportedly tossed onto the pavement by unknown persons. Leaflets for the No-venta [No sale] Platform, backing the candidacy of Rios Montt, were found at the site.

* Army Suffers Casualties

91CA0033G Guatemala City EL GRAFICO in Spanish 14 Nov 90 p 7

[Text] An infantryman serving in the Chimaltenango military region was wounded during the armed clashes on 11 November in San Juan Comalapa and Santa Apolonia in that department.

The soldier has been identified as Infantryman Ronaldo Belteton. He has been transferred to the Military Hospital in the capital. He was wounded when the troops made contact with the guerrillas in the outskirts of Santa Apolonia.

On election day, the guerrillas were stirring up trouble in that department, and when the military units appeared on the scene, there were armed clashes. Infantryman Belteton was one of those wounded in these incidents.

URNG Fliers in the West

In Santa Cruz del Quiche and Chichpe, Quiche department, guerrillas have distributed large quantities of fliers, said the regional authorities, who reported operations undertaken to locate the persons responsible for the propaganda.

The fliers collected reported URNG [Guatemalan National Revolutionary Union] military actions in 12 of the 22 departments of Guatemala, added the report.

Mrs. Rosario Alvarado de Leon, who lives at 1a, Calle 33-57, Zone 7 in the "El Rodeo" section, reported to the national police that burglars broke into her house and took miscellaneous items worth a total of 9,000 quetzales.

The criminals took clothes for everyday wear, cooking utensils, household appliances and jewelry, said Mrs. Alvarado de Leon, who asked that the authorities take action to find the thieves, about whom nothing is known.

Mutual Support Group Member Murdered

PA2012010990 Guatemala City SIGLO VEINTIUNO in Spanish 12 Dec 90 p 6

[Text] Diego Ic Sui, a Mutual Support Group (GAM) member, was gunned down on 11 December, inside the area four bus depot, following a demonstration organized by UASP [Labor and Popular Action Union] and GAM.

GAM leader Nineth de Garcia reported that Ic Sui was murdered by several unidentified persons who shot him three times as he walked along the depot's west side, across from the El Divino Maestro diner.

Garcia said that Ic Sui had been an active GAM member for several years and that he had taken part in different activities it has organized.

Nineth de Garcia said that Ic Sui was headed toward the bus depot intending to board a small bus that would take him home when he was attacked by unidentified persons who, according to witnesses, fled on foot.

Garcia added that Ic Sui had taken part in a demonstration that followed a route through the mains streets of Guatemala City to protest the high cost of living, the tranportation strike, and in solidarity with the people of Santiago de Atitlan. [sentence as published]

Garcia said that after the events in the central park [not further explained], Ic Sui went to where he was gunned down. Ic Sui was from Chunima Canton, Chichicastenango Department.

Nicaragua

Lacayo on Budget Law, Presidential Veto

PA1912224990 Managua Domestic Service in Spanish 2043 GMT 17 Dec 90

[Interview with Minister of the Presidency Danilo Lacayo by unidentified reporter in Managua upon his return from Puntarenas, Costa Rica—live; broadcast in progress]

[Text] [Reporter] ....it was said earlier this morning that this could be dangerous. You said it earlier.

[Lacayo] I believe that some significant errors have been made in handling the figures. For instance, one deputy, I think it was Dr. Luis Humberto Guzman, chairman of the (?Budget Commission), said that 10,000 more officers had to leave the Army as of 1 January. There are, however, only 9,000 officers presently in the Army. This shows that some deputies are unfamiliar with the technical details of the matter. It is impossible for the Assembly to have ordered 10,000 officers into retirement when there are only 9,000 in all.

[Reporter] Before or after the 5,000?

[Lacayo] After the 5,000. There were 14,000 officers in the Army, 5,000 of whom have already retired. Therefore 9,000 officers remain in the Sandinist People's Army. Deputy Guzman stated that 10,000 must retire as of 1 January, but there are only 9,000 in all. This shows that some of the deputies are not handling the specific details of the matter well. What we must take into consideration, however, is that their political objectives are the same as those of President Chamorro. As for the figures, apparently it is necessary to explain them even more clearly. This is what she will try to do with her veto. I am sure she will have support.

[Reporter] What will the president do if the Assembly rejects the her veto?

[Lacayo] The law would stand just as the Assembly has approved it. That is democracy. That is what the Constitution stipulates.

[Reporter] What else could happen?

[Lacayo] It would become necessary to seek other solutions, but I, personally, do not think they are going to come easy. In fact, I do not think they exist. This is why I am absolutely certain that the veto will oblige the deputies to reconsider all the dimensions of the matter before deciding if they will or will not support President Chamorro. In truth, the veto is an attempt to take this debate away from figures and closer to whether or not

the president will be supported in her plan to downsize the Army as she sees it. The consequences of not supporting her could be very serious for the country.

[Reporter] In other words, she will present no counterproposal, as Alfredo Cesar said this morning.

[Lacayo] Yes, she will indeed. The veto involves sending a proposal on the points she wants to veto. I do not know which proposal she will send. One thing is clear, however; she disagrees on reducing the budget by 19.6 million.

[Reporter] Will she present her proposal today?

[Lacayo] I suppose either today or tomorrow, depending on when she receives the document properly signed by the deputies. I think she will.

[Reporter] What will the new proposal be like?

[Lacayo] No, I do not know the figures.

[Reporter] The Sandinists have indicated that they disagree with reducing the budget by a particular amount, but not with the basic idea.

[Lacayo] Yes, it is only a matter of figures. The willingness has not changed. The disagreement has to do with numbers only. Thank you.

Chamorro Vetoes Budget Passed by Assembly

PA1912181290 Managua Domestic Service in Spanish 1350 GMT 19 Dec 90

[Letter issued by President Violeta Chamorro to the National Assembly in Managua on 18 December—recorded; read by President Chamorro on 18 December]

[Text] Managua, 18 December 1990
Dr. Myriam Arguello Morales
National Assembly President
Managua

Honorable President:

In accordance with the powers given to me by Articles 148 and 143 of the Constitution, I am hereby using my right of veto to partially veto Article 2, Paragraph 16 of the 1991 annual budget. The honorable National Assembly approved the 1991 budget during its regular meeting, No. 10, of 14 December 1990 and remitted it for its promulgation on 17 December.

With the following explanation, I want to state to the honorable National Assembly that my decision to use my right of veto is in line with my government's general policies concerning democratization, demilitarization, and the reduction of the Armed Forces.

Through a national reconciliation and a drive for policies stemming from a concerted effort, my government's main achievement during the eight months of my administration has been the attainment of peace in Nicaragua. Once the peace, which we all wanted so much, was obtained, I ordered the Army commander to prepare and carry out an Armed Forces reduction program to adapt the military organizations to the new peacetime conditions and the distressing economic and social situation in Nicaragua. Furthermore, on the very same day I assumed command, I decreed that the Patriotic Military Service law be suspended. This measure was endorsed by the National Assembly when it recently abolished this law.

In compliance with the orders I issued as the supreme commander of the Nicaraguan Security and Defense Forces, as is established in Article 144 of the Constitution, the Army has been reduced as follows:

On 25 April, the day I assumed control of the government, the Army had 79,737 soldiers. Obeying my order, in May the Army presented a program for its reduction and reorganization that was in line with the new peacetime situation and with a reasonable balance of forces for the Central American area. Thus, the 79,737 soldiers we had in May have been reduced to the 28,434 soldiers we have today. The program established that we would have 35,000 soldiers in this phase. This means, first, that the Army has been reduced more quickly than had been established in the program, and second, that the reduction by 51,303 soldiers is a 64-percent reduction over the number of soldiers we had when I assumed the Presidency.

Concerning the budget, the Army spent a total of 167 million gold cordobas in 1990. I presented a 1991 budget bill to the National Assembly that earmarked 78 million gold cordobas for Army expenditures. This is a 66-percent reduction from the 1990 budget.

I want to stress that the budget presented by my government is for the Republic's general expense budget in 1991. Ceiling amounts were decided for all state institutions in accordance with the procedures established by the Finance Ministry after communications between the Finance Ministry and the various state organizations.

Thus, the defense requirements were coordinated and determined according to available funds. The amount initially requested by the Army was for 131 million gold cordobas. The executive branch reduced the ceiling amount to 78 million gold cordobas, to be used for the Army's expenses in times of peace. The budget does not allocate any amount for war materiel.

Given the fact that the Army reduction program has surpassed my government's initial goals and that the defense budget has already been reduced 56 percent, I believe that the National Assembly's reduction of the Army's expenses by such a big percentage will upset the orderly and gradual program that is being carried out.

I have to consider that the disarmament program of the National Resistance left 20,000 men without jobs. Due to the economic crisis, the government was not able to

comply with all the needs these men presented, and this has caused serious social conflicts in the country.

To those problems we must add the recent retirement of 5,000 EPS officers who are also making social demands. I must note that our country could not immediately absorb thousands of additional demobilized contras without running the risk of facing more serious social conflicts and unnecessary political and military problems that could have had unpredictable repercussions.

I want the honorable National Assembly and the Nicaraguan people to know that I understand and fully share the civil disposition of the honorable deputies, as well as the desire to have a completely demilitarized society. That is one of the main tasks of my government. It is stipulated in the UNO [National Oppostion Union] government platform, which is also my government platform and which I will implement without any hesitation during my constitutional term as president of the Republic and of all Nicaraguans.

I must note that after complying with the commitments on social indemnification for the 5,000 officers discharged since I assumed the Presidency, there will be another reduction of the Army starting in the second semester of 1991. By the end of that year, the Army will not have more than 25,000 members. This subsequent step of reducing the Army will be more feasible and faster to the extent that my government receives the material and economic aid that I am trying to obtain from the international community. I recently obtained Spain's assistance for that purpose.

I must also assure the honorable National Assembly and all the Nicaraguan people that the implementation of the military budget will be handled using the same procedures and secrecy used with all other state agencies and institutions. To that effect, an immediate measure will be to pay military salaries with fiscal checks, as is done for government employees.

Based on the aforementioned reasons, I hereby notify the honorable National Assembly that the draft budget for 1991 has been partially vetoed. This partial veto consists of readjusting the budget allotments for the military and financial sectors by reducing the sums assigned for unexpected expenses without affecting the budgets increased by the Assembly in the areas of health, education, culture, and sports, as well as other areas.

Finally, I must stress that the commitment made during the electoral campaign to attain peace, reduce the Army, and eliminate the partisan nature that characterized it during the 10 years of Sandinism has been complied with during the first eight months of my government. Perhaps this has not occurred as quickly as many would like, but it has been carried out in an impressive and effective way, and above all in an orderly and concerted manner. Hence, the process has been admired and supported by the international community, as evidenced at the recent presidential summit in Puntarenas, Costa Rica.

Attached is the text of the modification to Article 2 of the annual draft bill for the 1991 budget.

Respectfully, Violeta Barrios de Chamorro, president of the Republic of Nicaragua.

Partial modification to the annual draft bill for the 1991 budget approved by the National Assembly on 14 December 1990:

Clause 16 of Article 2 of the pertinent law should read as follows:

Reduce the Defense Ministry's budget by $8.5 million gold cordobas. This reduction will proportionally affect the allotments for fuel, uniforms, centralized, decentralized and port [portuarios] expenses, based on the figures itemized.

In addition, reduce the Finance Ministry's budget by 800,000 gold cordobas, in the areas of propaganda and printing expenses.

Reduce the budget allotment for unexpected expenditures by 11.3 million gold cordobas.

All the other parts of the annual draft bill for the 1991 budget remain unchanged.

Nicaraguans: As we approach Christmas, a time of peace and reconciliation, I once again ask you for your support. I am committed to be the president of all Nicaraguans. Let us put aside hatred, confrontation, violence, and terrorist actions. Democracy is construction, not destruction; it is dialogue and not confrontation. Only if we are united can we achieve the social, political, and economic stability that Nicaragua needs. Trust me. Thank you very much.

Godoy Comments on Recent Terrorist Actions

PA1912145990 Managua Radio Catolica in Spanish 1130 GMT 18 Dec 90

[Text] Nicaraguan Vice President Virgilio Godoy Reyes has said that the people who carried out this weekend's terrorist actions are the same people who speak of reconciliation and revanchism. He added that as each day passes it becomes more necessary to disarm the civilian population.

[Begin recording] [Godoy] This proves that we must reduce the military budget. There can be no doubt that those who are carrying out these terrorist actions against mayors and deputies—representatives of the people—are the same people who for over 10 years supported militarism in our country. Too many people have already been attacked. It all began with the bomb attack on Jaime Cuadra in Matagalpa. Then there was the shooting of Dr. Alfredo Palacios in Jinotega, the shooting of Deputy Daniel Blandon in Matiguas, the bomb attack on Juigalpa Mayor (Isaac Deleo), the bomb attack on Matagalpa Mayor Frank Lanza, the bomb attack on Deputy Humberto Castillo, the bomb attack on

Deputy Jose Gutierrez Pantoja in Chinandega, and finally last night's bomb attack on the home of Deputy Julia Mena in Granada.

These actions speak for themselves. These are visceral, aggressive, terrorist actions launched by people who do not understand life if it does not involve violence. This is the answer we get from those who speak of reconciliation and revanchism. This is the answer we get from those who, in a single word, do not want peace. I think that today more than ever we need to strengthen, expand, and generalize the idea of disarming the civilian population. By doing this, we would keep those irresponsible people, who follow the orders of their political party or military superiors, from having weapons to commit violence and attack peaceful citizens who are protected only by the laws of the Republic.

[Unidentified speaker] Dr. Godoy, some people say that those who are carrying out these actions have not been identified. Others say, however, that they know who these people are. What is your opinion?

[Godoy] A few moments ago, I was holding pieces of a Soviet-made fragmentation grenade. I do not think that these weapons can be taken out of the military arsenals without someone noticing. If this is the case, we would have to say that the military arsenals are in the hands of irresponsible persons who do not know what they have or how to control what they have. [end recording]

Assembly Condemns Bomb Attacks on Deputies

PA2012041390 Managua Radio Sandino in Spanish 1200 GMT 19 Dec 90

[Text] The National Assembly has condemned the attacks against its deputies. The National Assembly has issued a statement expressing solidarity with its representatives who were victims of several bomb attacks during the 15-16 December weekend. The deputies who suffered these attacks were Humberto Castilla and Julia Mena. Unidentified persons threw fragmentation grenades at their homes at dawn on 16 December.

The National Assembly debated the statement's context and language for more than six hours. During this time, the UNO [National Opposition Union] deputies accused the Sandinists of being directly responsible for the attacks. The communique was also delayed because the UNO deputies wanted to include rejection of the Armed Forces' statement on the attacks because they considered it arrogant and threatening. At the end of the meeting, however, in an almost forced agreement, they decided to condemn the acts of terrorism and violence as well as those that foment hatred, while they urged the community to use civic mechanisms to resolve national problems.

Telcor Strike Leaves Country Incommunicado

PA2012004890 Paris AFP in Spanish 2251 GMT 19 Dec 90

[Text] Managua, 19 Dec (AFP)—Nicaragua was today left without telephone communications with the rest of the world after a group of Nicaraguan Telecommunications and Postal Services Institute (Telcor) workers, who are also supporters of the opposition Sandinist National Liberation Front, decided to intensify their strike to demand better wages and job stability.

Telcor sources have said that only calls to the United States can be made. All telephone, cable, and telex communications were cut off as of 1500 local (2100 GMT) when negotiations between the strikers and Telcor authorities came to a standstill.

Union leader Salvadora Sandoval told AFP that the "pressure" measure was decided upon in response to the "arbitrary decision" to fire more than 40 workers who had joined the strike.

A Telcor source said that after the strike was expanded, Technical Services Director Adan Low sat down with the strikers to discuss a list of demands.

Meanwhile, late this afternoon, Nicaraguan President Violeta Chamorro was in Matagalpa to meet with regional leaders and mayors to analyze the tense situation in the area as a result of the pressure being exerted by former Nicaraguan Resistance members who are demanding land from the government and a group of Sandinists who were recently fired from their jobs.

Panama

Endara Address Notes Invasion Anniversary

PA2012031090 Panama City Domestic Service in Spanish 0001 GMT 20 Dec 90

[Message to the nation issued by President Guillermo Endara Galimany from the Presidential Palace in Panama City—live]

[Text] Fellow citizens: On the eve of 20 December, which my government has declared a national day of reflection, I wish to address myself to you in order to give this day the deep meaning it deserves. One year ago, the last night of tyranny in Panama took place on a night like this. The trigger was an armed military action, but this action was preceded by the long calvary of suffering, rebellion, and protests of a people who, even under the worst of circumstances, never lost hope or gave up.

I wish to devote a few moments to briefly remembering what is already part of our history, because people who forget their history repeat their mistakes. It is my inescapable responsibility to prevent the nation from falling into this trap. In May 1968, the Panamanian people voted en masse, and by an overwhelming majority elected Dr. Arnulfo Arias Madrid the constitutional

president. During the next four months, Dr. Arias carefully prepared himself to assume office as president, which he became on 1 October. One of the new Panamenist government's first decisions was to restructure the National Guard of that time. He intended to put legal limitations on it and stifle the nascent militarism. These measures, legal and adopted in all propriety by a president who had been democratically elected by the people, immediately resulted in the military coup of 11 October 1968. Thus began the Panamanian people's long night of suffering and martyrdom. The people were stripped of democracy and freedom. This deprivation sometimes became more intense and shameless. At other times, it was hidden and took place covertly. It cannot be denied, however, that this deprivation always existed and that the country was turned into both a large prison for Panamanians who loved freedom and a private hacienda for a succession of tyrants and their friends.

All of us are horrified at the excesses perpetrated over the past three years. We must clearly understand that these abuses were only the result of a system that was born on that fateful day of 11 October 1968. Under the military regime, without public liberties, freedom of the press, an independent judicial branch, true representation of the people in the Assembly, and basic values such as respect for life and dignity of every man and woman, what happened had to happen sooner or later. The political situation became pathetic. By the will of only one man and his gang, people were persecuted, sent into exile, and tortured, and homes were broken into in the dead of the night to kidnap those who protested the violation of their rights. Ballot boxes were stolen, elections were annulled, paramilitary gangs—who were nothing but armed outlaws—were organized. The city and the country was filled with hated and well-known informants.

Radio stations and newspapers were closed. Radio commentators saw their licenses suspended. Peaceful demonstrations in the streets and on the sidewalks were impeded in a clear demonstration of the government's fear of reason, morals, and law. Public employees were forced to attend marches lest they be fired. The social situation became explosive. There was a crushing shortage of decent homes for low-income people. Hospitals lacked medicine and adequate equipment to meet minimum health requirements. Schools had no teachers, blackboards, or chalk. Schoolchildren had no pencils, desks, or books. The drinking water lacked proper treatment. There was a danger of epidemics for lack of fumigation. The economy was suffocating. Manufacturing plants stopped producing. Stores ceased to sell. Banks stopped lending. No new buildings or new homes were being built. Cattlemen could not sell their cattle. Farmers could not buy fertilizer or herbicides. Workers lost their jobs. Government revenue was cut by half, to the point where there was not even enough money to pay the public employee payroll, let alone to buy the necessary stationery and equipment so that the government could adequately do its job.

The government acquired billions of dollars in debt and then stopped making payments on that debt. Irresponsibly, the government lived on credit. There was no official budget and whatever little public funds were available were managed like petty cash directly from the tyrant's office to pay for his personal whims and personal expenses. Meanwhile, retired people, who deserved better treatment and to be respected, stood in long lines under the relentless sun to receive and then cash their biweekly checks. Moral and ethical values crumbled. The sickening stench of drug trafficking and easy money flooded our country. Governmental corruption, bribery, fraud, crime, and vice thrived in this antidemocratic climate. Then, the final aberration, the circus-like coronation of a head of state by an assembly that represented no one, and a declaration of war on the world's most powerful nation. Neither the Panamanian people nor I invited the military action. It was the logical and predictable result of misgovernment, abuses, the trampling of values, disrespect for the dignity of men, false nationalism, and demagoguery. A true leader serves the people, he does not use them.

Tomorrow, let us ponder these and many other things that happened, which we have not mentioned, but which exist in recent and not-so-recent memories. All Panamanians experienced suffering in one way or another. Upon pondering all this, however, let us also make a serious commitment to our children, families, friends, and the homeland. Let us not allow this to happen on our soil ever again. Let us preserve our democracy. Let us become a little better every passing day. Let us each contribute our grain of sand. Let us protect the seed that has already germinated. It is the responsibility of each and every one of us. Let us have faith in a better future. The calvary has already passed. Let us trust ourselves not with fear, but with anticipation. We will forge ahead. We are restoring order where there was disorder. We will all progress together. Your president and servant assures you of this. We are moving in a single direction. Up and ahead, Panamanians. Thank you and good night.

Endara on Unionism, U.S. Aid, Judicial System

PA2012004290 Panama City Telemetro Television in Spanish 1745 GMT 19 Dec 90

[Interview with President Guillermo Endara Galimany by Lucy Molinar at the main studios of Telemetro Television in Panama City—live]

[Excerpts] [Passage omitted] [Molinar] Concerning recent incidents, labor leaders have said that there is an ongoing attempt to leave the labor movement without leaders because the government has commitments and labor situations it would rather not have.

[Endara] No, no, no. That is not true. I believe in unionism. I am a staunch defender of unionism. I know that unions are a necessary force in modern democracy. Just as there is no democracy without political parties, there cannot be democracy without authentic unionism.

It must be unionism that defends the workers and protects the interests of the workers, however, not unionism that becomes involved in politics and coup attempts, which is the kind of unionism we have had to act against. That is pseudo-unionism, because real unionism does not become involved in politics, much less in coup attempts, and much less against democracy. We have had to act firmly against that kind of anti-democratic pseudo-unionism. Authentic unionism, however, has our recognition and support.

[Molinar] Mr. President, a while ago some National Institute students were on a hunger strike and they were pardoned. Now there is a group of labor union members on a hunger strike. What will be their future?

[Endara] The students were not really pardoned. They did not go back to the National Institute. They took correspondence courses. They were not pardoned. This has to be made clear. The students did not really fast, they were not honest with the Panamanian people. I verified that myself.

I do not know what these gentlemen are doing. They have their rights. As a man who has gone on hunger strikes and fasts, I cannot deny these gentlemen their right to do the same, because it is a way to demonstrate. I believe, however, that they are wasting their time because the democratic government is going to defend itself from politicking and union people involved in coup attempts.

[Molinar] Mr. President, many people believe that it would be appropriate to evaluate your administration based on your commitments to the U.S. Government. We had been expecting the delivery of promised aid, which, according to what was initially said, was unconditional. It was later admitted, however, that it is linked to conditions. What is your commitment to the U.S. Government?

[Endara] There is no commitment. The aid is being conditioned. This is clear. In the beginning I did not understand this very well, but I do now. We are not going to act against the interests of the Panamanian people or institutions who truly support our economy simply because the United States believes that we should. That is what United States believes we should do. The United States has stated its point of view toward Panama, and in doing so it has tried to be convincing. I believe that Panama has done the same. Panama has clearly stated its points of view and, as I see it, has done so in a more convincing way. Our relations with the United States are those between two sovereign countries. We do not consider ourselves inferior or anything like that. We do not have an inferiority complex with regard to the United States.

[Molinar] Let us evaluate your government. For some time we have been noticing confrontations among ministers and between the comptroller and some ministers. How do you expect to coordinate the administration so that democracy does not appear like something that is being destabilized by disputes?

[Endara] We must get used to the meaning of democracy. The 21 years we spent without it have led us to consider things that are common in democracies to be startling. Remember, this is a coalition government. This is how we ran in the May 1989 elections. We told the Panamanian people: We have joined forces to struggle against the dictatorship to build democracy in Panama, to bring liberty to all the corners of the country, to bring prosperity, and to make democracy work. This was a coalition commitment. This was not a commitment of just Guillermo Endara, Ricardo Arias Calderon, Billy Ford, Arnulfo Escalona, or other leaders. This was a general commitment. I believe that I am the main leader of this group of men. They are democratic people who have their own personalities, ideas, and ways of thinking. Logically, there have to be conflicting opinions. We cannot function like an army, like during the dictatorship. This is a democratic government and there are differences of opinion. I know that the people are discouraged when they see this. This is why I try to keep it under control. I believe that I have done a fairly acceptable job.

The people should view discrepancies as something normal, as something that happens, because we are not enduring a dictatorship. [passage omitted]

[Molinar] We have talked about the justice situation. Let us talk about the future. As president, what will you do to make law enforcement more effective in our country. Maybe we should not ask about the Supreme Court, because you will surely tell me that the Supreme Court is comprised of competent people, but the role of the Attorney General's Office has been frequently questioned.

[Endara] I understand those who question the Attorney General's Office, but I would like to make something clear right now. I am part of the executive branch. I promised to create a strictly legal and democratic state in Panama. This legal state involves independence from the judicial branch.

[Molinar] You appointed the Attorney General, however, and we should not decrease effectiveness for the sake of independence.

[Endara] Yes, but I cannot call the Attorney General, for example, and tell him to do this or that with such and such document. I would be doing exactly what the military officers did in the past. The military officers were used to calling up the Attorney General and telling him: release so and so and sentence so and so. We cannot do that. Guillermo Endara, as president of a democratic and legal state, cannot call the attorney general and tell him what to do. I would like to say that I have given the attorney general all the moral and financial support, within the limitations of the budget, to do the great job he is doing. Our judicial system has never had so many cases to resolve.

[Molinar] Let us talk about the economic issue, the situation of poor people. You promised to support the justice system and let us leave it at that. The poorest group in the country wants a solution because we have a high unemployment rate. We have a country that does not enjoy an image of stability, which would attract foreign investors. It has been said that the U.S. Government has created conditions that are absolutely unfavorable for creating jobs in the country. In the economic field, how do you view the country?

[Endara] I believe that by our own efforts, we have done much. By our own efforts, we can continue to create more and more jobs. If we had foreign aid, we could progress and jobs could be created more quickly. We believe the foreign aid....[changes thought] I am referring not just to U.S. aid. I am referring to the fact that soon we will be up to date with international institutions. Once we are up to date, we become eligible for credit. We would immediately receive financing for public works, as in the case of Costa Rica. This country is receiving extremely good financing. We should take a look at that so that we can ascertain what a country can do after it qualifies to receive credit. Panama will be able to obtain credit. We are taking all the necessary steps so that Panama can qualify for credit, after the dictatorship got away with not paying a single penny on the foreign debt.

[Molinar] In the executive branch, is your hand going to be heavy or light?

[Endara] I am going to continue to be Guillermo Endara, a democratic president. A president who wants to respect and will respect the rights of others. I am a president who prefers to persuade rather than to force. I am a president who prefers to speak of freedoms rather than to speak of pressures.

[Molinar] What is your ultimate objective?

[Endara] My ultimate objective is to reach 1994. Hold supremely clean elections that can serve as a model for our country's history and turn over to the new democratically elected president an economically rebuilt country where most people have jobs with a minimum of unemployment, where schools are operating, where hospitals provide the best service, and where children are healthy and educated. That is what I want. That is my ultimate objective. [passage omitted]

Linares Remarks on President Bush's Statements

PA1912202090 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Dec 90 pp 32, b4

[Report by Doris Hubbard Castillo]

[Text] Regarding the criticism cast by several sectors on the U.S. President's statements in Venezuela when he said that the U.S. Army troops would stay in Panama to guard its democracy, Panamanian Foreign Minister Julio Linares has stated: "Unfortunately, some Panamanians act as if they liked feeling occupied, diminished, and humiliated by the United States of America." [sentence as published]

Linares noted that he understood the unease and concern these statements had caused, "as it could be inferred from them that the United States was assuming the functions of an international police corps in our territory and that it was willing to remain in our country after the year 2000."

The Panamanian foreign minister, who recently returned from Puntarenas, Costa Rica, stated, however, that the Panamanian Government had asked the U.S. ambassador in Panama for the official version of President Bush's statements on the same day that he made them in Venezuela. The result of the Panamanian request was that Bernard Aronson, U.S. assistant secretary of state for Inter-American affairs, pointed out that the United States would respect the treaties.

Nevertheless, Linares stated when he returned from Costa Rica that he "was surprised" to read a resolution issued by a study center and a newspaper editorial criticizing Bush's statements. The high-ranking government official noted that this criticism is not positive for the country, as they confuse public opinion.

He added that it is a mistake to interpret the U.S. President's statements without taking into consideration the statements issued by Aronson and the U.S. State Department. Linares said that with such criticism "there is a risk of confusing public opinion."

Denies U.S. Interference in Government

PA2012034090 Panama City Circuito RPC Television in Spanish 2300 GMT 19 Dec 90

[Text] Foreign Minister Julio Linares has denied that there is U.S. political interference in the state organizations. A 21-year-old opprobrious dictatorship ended in December when Operation Just Cause was launched. During those 21 years the homeland was surrounded by governmental corruption, by men who got rich through misappropriations, and by violations of human rights. It is also true, however, that the U.S. invasion of Panama resulted in deaths, damage to private property, and thousands of homeless Panamanians who today continue to fight to recover what they had.

[Begin recording] [Linares] We view this incident as a liberation from a dictatorship. We cannot think of 20 December as a day of national celebration because, first, no Panamanian, no one, likes to see his country invaded with its sequel of dead and wounded, but then we cannot think of it as a day of national mourning because they freed us from the dictatorship. Therefore, I think that the important thing is that no Panamanian, government, or opposition wants what happened on 20 December to happen again, not only here, but in no other brother

country. We must stop to think about the causes that led us to that situation and ensure that these will not be repeated.

[Unidentified speaker] A year later, is Panama independent from the United States?

[Linares] Not a year later. The very day of the invasion Panama was independent of the United States. The United States helped us—when I say helped us I am not speaking of the government but of the people—free ourselves of a dictatorship that, without the help of foreign forces, we would never have been able to do because they were stronger than we were. I do believe, however, that we have to speak of independence because the state organizations are operating without interference from a foreign state. I can tell you and assure you that since 20 December, the Panamanian state organizations have been operating without interference of the United States or any other country. [end recording]

Herrera Views 5 Dec Events, Reconciliation

PA2012044090 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Dec 90 pp 1-a, 2-a

[Article by Doris Hubbard Castillo and James Aparicio]

[Text] In exclusive statements to LA ESTRELLA DE PANAMA, Retired Colonel Eduardo Herrera Hassan, leader of a police uprising put down by U.S. Army soldiers on 5 December, has said that "the country will be led to an unnecessary bloodbath unless there is a real reconciliation and some Panamanians put aside the hatred that prevents them from thinking of the future of the fatherland.

Herrera answered a questionnaire this newspaper sent to Naos Island, where he has been since 16 December. He is being closely guarded by sea, air, and ground surveillance provided by the U.S. Army.

Herrera warned that the Public Force, created after the 20 December 1989 military intervention, "is again dependent on the U.S. Army, and we have lost our patriotic identity."

"It must be recalled that he who spends his life hating is bound to lose more than he who is the subject of that hatred, because the former does not have peace of mind," Herrera noted in an apparent reference to the government of Guillermo Endara.

The military officer, who was taken to Renacer jail on Thursday and transferred to Naos Island in a U.S. Army vehicle on 16 December, will not be able to receive any visitors until Christmas Day.

Naos, located in the Canal's Pacific entrance, is being surrounded by barb wire and other security mechanisms to prevent Herrera from escaping. He is virtually on a hunger strike because he is not allowed to receive the food that his wife takes to him everyday.

Herrera said that "his pride as a Panamanian" is hurt because Naos has become a U.S. Army base owing to the strict vigilance established within that part of our national territory.

Regarding the Southern Command intervention to crush his movement, Herrera said that the U.S. military action "has earned no applause (from the people) like the 20 December 1989 action" when many Panamanians "had no other alternative than to accept it, given the pressures the regime (of Manuel Antonio Noriega) had put them under."

"Whether certain Panamanians like it or not, this action has begun to unite Panamanians again, especially the humble people and the middle class because of their nationalism," Herrera remarked.

Herrera denied that his group was involved in a "coup d'etat." He added that it was only "a movement to satisfy some demands" and said that he is sorry about not giving his testimony "because of the mere fact that an injustice is being committed with the labor leaders" who have been linked to the police uprising.

He rejected any links with the organized workers.

Approximately 400 workers were dismissed last week for supporting the march and strike on 4 and 5 December. A law authorizing the indiscriminate dismissal of those who promoted or participated in the protest was approved by a majority in the Assembly.

Herrera reported that a U.S. Army officer confirms that he is still in his "maximum security" cell—a cell similar to that which he occupied in Renacer where he was able to meet Mango Verde, Componente, Media Luna, Mosquera, and Piruli, criminals who were being held in the same section.

Herrera, a Torrijos follower who graduated from Ecuador's Eloy Alfaro Military Academy, said that Marcos Ostrander, chief of the Staff Judge Advocate Office's International Law Department, has visited him in his solitary confinement to find out how he was.

Herrera said that the future of his country can be seen through the media "and the daily news," but he explained that his personal future "as a Christian is in God's hands."

Herrera reiterated that when he entrenched himself at the Public Force headquarters in Ancon a "coup d'etat" was never mentioned to journalists or to the leaders of the Public Force, "who disapproved of our form of struggle but knew that it was a movement to satisfy demands."

Olmedo Riggs Granted Safe-Conduct by Government

PA2012011090 Panama City Circuito RPC Television in Spanish 2310 GMT 19 Dec 90

[Text] The Panamanian Foreign Ministry has granted Sergeant Olmedo Riggs Caceres safe-conduct to leave the country. Riggs, who sought asylum at the Venezuelan Embassy, has been guaranteed that his physical well-being and freedom will be respected by the local authorities. A communique issued by the Foreign Ministry states that the crimes Riggs Caceres is accused of committing are strictly of a political nature and that all his actions were directed against the state. Sgt. Olmedo Riggs Caceres participated in the attempted coup led by Eduardo Herrera.

Granted Asylum in Venezuela

PA2012013490 Madrid EFE in Spanish 0037 GMT 20 Dec 90

[Text] Caracas, 19 Dec (EFE)—The Venezuelan Government announced today that it has decided to grant political asylum at its embassy in Panama City to Sergeant Olmedo Riggs Caceres, former member of the Panamanian Public Force. Riggs sought asylum at the Venezuelan Embassy in Panama City on 14 December.

The Venezuelan Foreign Ministry issued a communique reporting that Riggs had requested and promptly received a safe-conduct from Panamanian authorities.

The official note does not explain the reason for granting the Panamanian soldier political asylum.

Columnist: Hold Labor Leaders Liable for Damages

PA2012034790 Panama City LA PRENSA in Spanish 15 Dec 90 p 1A

[From the "As of Today" column]

[Text] Three consecutive days of organized violence should be more than enough for the authorities to act with the necessary firmness and energy to prevent serious events from again taking place. The labor union leaders who have actively sponsored the riots have been or can easily be identified. This notwithstanding, they are still enjoying full freedom to subvert public order, threaten personal safety, and facilitate the destruction of public and private property. To demand from each of these leaders the legal liability that befits them for the deeds they have instigated is the best and surest formula for avoiding a repetition of such regrettable situations.

We are not dealing with just criminal penalties. The proper authorities should also sentence them to pay reparations for the damage to public and private property. In addition, the labor unions that these leaders represent should be held jointly responsibly for such damage. The Constitution recognizes and guarantees the right to dissent and express disagreement in public. There is no law or right, however, that allows a person to disrupt public order, hurt people, and destroy public and private property. The law must be enforced. The authorities in charge of this enforcement are liable for this omission if they fail to fulfill this lofty mission.

Major To Be Tried on Kidnapping Charges

PA2012133890 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Dec 90

[Text] The First District Court has announced that it will bring to trial Gonzalo "Chalo" Gonzalez, who has taken refuge at the Peruvian Embassy in Panama City.

First District Judge Guillermo Salazar said that the indictment is based on kidnapping charges presented by Sergio Tejada Barrios at the prosecutor's sixth district office. Charges were made against Dionisio Nieto, Felipe Martinez, Domingo Gonzalez, and former Major Gonzalo Gonzalez. The kidnapping took place in the Via Espana vicinity, near El Carmen church. The victim was taken to the Rio Hato military base where he was detained for 21 days.

[Begin Salazar recording] We have issued an order to prosecute. This means that, based on the evidence we have on file, we will bring all the persons accused in this case to trial. There is enough evidence to try Gonzalez. An arrest warrant has been issued against him. There is no bail for this kind of crime. [end recording]

New Organization Enters Political Arena

PA2012004190 Panama City EL PERIODICO in Spanish 17 Dec 90 p 6

[Text] The National Democratic Movement [Movimiento Nacional Democratico] has issued a communique in which it announces its integration into and participation in Panama's political affairs.

This new group, in its communique to the country, claims that it was founded because of the "difficult and critical period the country is going through, with our fatherland's soil trampled upon, blemished, humiliated, occupied, and its people disorientated, confused, and disillusioned."

The communique, which is signed by the coordinating committee, comprised of six citizens, summarizes its basic principles in 15 points. The communique invites the participation of various sectors, such as workers, professionals, Indians, peasants, and students, while guaranteeing their ideological independence, without making commitments to local or foreign interests that are removed from nationalistic principles.

The coordinating committee consists of Abel Gonzalez, Generino Avila, Antonio Hermosillo, Carlos Mitre, Omar Castillo, and Cecilio Bernal.

Argentina

Menem Addresses Military School Graduates

PY1912223090 Buenos Aires Argentina Televisora Color Network in Spanish 1321 GMT 19 Dec 90

[Speech by President Carlos Saul Menem to the 121st graduating class of the El Palomar Military School in Buenos Aires—live]

[Text] Gentlemen, Chiefs of the three branches of the Armed Forces, officers, NCO's, ladies and gentlemen:

In my capacity as president of all Argentines and as commander in chief of the Armed Forces, I am here today to emphasize the importance of the badges you are about to receive.

These badges represent your commitment before your fatherland and your people. These badges compel you to make a pact of honor to defend our nation's institutions and sovereignty. They will forever infuse you with a spirit of sacrifice, a spirit of struggle and effort.

All of you are well aware that a harsh and unselfish life now lies ahead of you. Being a military officer is not just enjoying the privilege of carrying a gun. Being a military officer means having a vocation and making sacrifices. Being a military officer means being last in times of peace but first in times of pain and in risking one's own life. Above all, being a military officer means being a soldier.

Moreover, the badges you are about to wear oblige you not only to draft plans for war but mainly plans for peace, plans for life, plans for development. Peace is not circumstantial or gratuitous; it entails a constant search that must be carried out by exactly those who possess force.

The Argentine Armed Forces' plans for war, however, must mainly be work plans. These national defense plans should be based on active, modern, and imaginative guidelines. Just as we cannot defend the fatherland with obsolete weapons, we cannot defend it with old ideas, with anachronistic views, or with ideals that have been eclipsed in an ever-changing, constant evolving world.

Being a patriot means renouncing sectarian views. It means being open-minded to what is taking place in the universe without losing our identity. It means renewing ourselves culturally without losing our identity.

Your commander in chief believes in the patriotism of his subordinates. This is why he is ordering you to undertake a policy of profound change to once and for all dignify the honor of wearing the uniforms of the Argentine military.

We need to transform military power so that the institution will be not only an instrument for armed combat but also an instrument for intellectual and strategic combat. National defense is no longer only a question of weapons; in view of their need for technology and equipment, we must also incorporate our military men into the overall modernization of Argentina.

We must do away once and for all with the walls of disagreement that alienate Argentine society. It is therefore necessary for our Army, Air Force, and Navy to incorporate themselves into what we call a blueprint for integration.

This blueprint beins with the union of Argentine brotherhood, civilians, and military men. It will be impossible to attempt to achieve any progress without this union.

In the second stage, it is vital that we advance with a healthy federalism toward overall integration throughout the entire nation. This is the only way our country will be able to integrate socially and economically with the great Latin American nation.

I know that you officers are the clearest interpreters of this desire that was bequeathed to us, through their embraces and doctrine, by San Martin and Bolivar. They knew all about war, but they loved nothing more than the fraternity that unites our peoples.

In view of the new social and economic developments that are being experienced throughout the world, it is necessary today more than ever to create a common front with the nations of the Southern Cone. This front is aimed at growth, not confrontation, and at mutual exchange within the military sphere that will help us to combat common enemies and threats.

I know that this mutual exchange is already taking place, because there are brothers from Panama, Bolivia, and Peru in this new graduating class.

We are finally going to integrate ourselves in the universal culture of tolerance and unified growth, but never in tribal competition or the spirit of factionalism.

I insist that this has been a rivalry plagued by material and ideological barriers, at times a rivalry good for nothing but death itself and—it pains me to say the worse—for killing between brothers.

The only death that I wish to see in my country is the death of violence, the death of irrationality, the death of hate, and the death of bad conduct.

Our whole people, or our people as a whole, is painfully seeking reconciliation after having been trapped within the confines of resentment and haughtiness for too long. Our goal is clear: three forces fighting together, but not confronting the people. Peace is also a battle.

Comrades in arms: The whole world is marching toward a new era and we must therefore integrate our Armed Forces as a potential source of scientific and technological development.

The Armed Forces must integrate their cadres, which are valuable intellectual, professional, and scientific sources,

toward the overall framework of productive and positive activities that can help in the growth of our society.

We must all do away with this sad autism. We cannot be passive witnesses of a world transformation in which totalitarianism no longer fits. Totalitarianism is not a question of the right or left, but a question of character. This is why it is an illness of man and of our time.

The great writer Octavio Paz, upon receiving the Nobel Prize for Literature, had this message for those who suffer and exercise that totalitarianism: The believers in that totalitarianism, confident that they owned the key to history, built powerful states on pyramids of bodies. Those proud structures, which were meant to liberate men, soon became gigantic prisons. Today we have seen them fall. They were not pulled down by ideological enemies but by the weariness and liberationist enthusiasm of new generations.

Paz finished by saying: Men could once again become possessed by sectarian fury and fanaticism. It would terrible if the fall of the abstract idol of ideology served to announce the resurrection of buried tribal and sectarian passions. There are worrisome indications of this, Paz concludes.

Officers of the three forces: I have shared with you the remarkable reflections of this intellectual because I know that his thesis is a common factor in the most decisive point in the crisis being experienced at the worldwide level.

In the world and in Argentina, military men have a lot to do with these transformations. Military men incorporate the challenges of change, changes in technology, professionalism, strategies, and culture.

With this goal in mind you are now receiving these insignias. You must always remember that they do not belong to you as a personal item. You must know that a lot of courage and honor is needed to carry them with your head held high, not only in times of war but also throughout life.

Your graduation actually represents an entry, an entry into the efforts for permanent professional improvement that the forces demand from you, both in specific and joint operations at all levels of command; an entry into respect for the constitutional military chain of command, the confirming element in the existence of our Armed Forces.

The other choice—which we have recently experienced—is an armed gang that cannot use the uniform or the national flag.

Receive these insignia, young officers, with the assurance that our civilian society has overcome old prejudices and is willing to join and work together with the military institution for a new, healthy, united, patriotic, and definitely pacified Argentina.

I call on you, and through you all young people, military men, and civilians in my fatherland and Latin America, to join the most heroic militia, that of national unity.

Thank you very much, happy year-end festivities, and may God bless you. [applause]

Abete Testifies, Says Seineldin Headed Rebellion

PY1912173690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1108 GMT 19 Dec 90

[Text] Buenos Aires, 19 Dec (NA)—In his testimony before the Armed Forces Supreme Council, Major Hugo Abete said that Colonel Mohamed Seineldin is the leader of the Painted Faces rebellion. Major Abate added that previous meetings were held with government officials.

Abete is one of the five officers for whom the Armed Forces prosecutor has requested the death penalty. He said that Seineldin was responsible for the operations despite being under arrest at a San Martin de Los Andes regiment "because he left instructions before his arrest."

Major Abete admitted he was the chief of operations of the so-called "Lujan Virgin Operation." The objective of this operation was to replace Army Chief Martin Bonnet. When asked whether this was the only objective, Abete answered that this had to be established by Colonel Seineldin, "the operations commander."

Abete testified before the supreme council on Sunday, 9 December. The highlights of his testimony, which were transcribed in an 11-page act, are published in today's issue of CLARIN.

Abete said Seineldin had received the "solid support of numerous people." Asked to name some of those who met with Seineldin, he mentioned several government officials.

He said he attended a meeting between Seineldin and Justice Ministry Under Secretary Cesar Arias. He said he was also aware of another meeting that took place between Seineldin and SIDE [Secretariat for State Intelligence] Chief Hugo Anzoarregui.

Abete added he had learned that before accepting his post, Defense Minister Humberto Romero had consulted with Seineldin during a dinner at Seineldin's house and that there was another dinner with Defense Under Secretary Julio Dentone.

Abete refused to disclose the names, apart from that of Seineldin, of the members of the Painted Faces high command. He said it is up to Seineldin to supply this information.

In his testimony, Abete said Seineldin "was not [words indistinct]" although "it was expected that he was going to assume the leadership after achieving the expected support."

He added that "we speculated on the possibility that the commander of the 6th Brigade command at Neuquen

would express support for Seineldin after the incidents broke out, based on previous meetings that 6th Brigade Commander Torres held with Colonel Seineldin and other members of the organization."

Abete also said that the final preparations for the uprising were carried out on the previous "Wednesday or Thursday" at a security agency office located on Reconquista Street, near Leandro Alem Avenue. He said these offices belong to "one of the members of the organization."

Abete, who took part in the attack of the Patricios Regiment said he is unable to identify those who shot Lieutenant Colonel Hernan Pita and Major Antonio Pedernera because "of the great confusion that prevailed, the darkness that did not allow us to distinguish between the attackers and those inside the building, and the heavy gunfire."

He added, however, that "this incident marks the virtual end of operations because of the sharp drop in morale among the troops following the deaths of the military chiefs and soldiers in combat" because "it was not our intention to kill anyone."

Abete said that confusion increased because "some thought the attack came from the MTP [All For the Fatherland Movement] members, others thought it came from special intelligence commando units because there were people wearing civilian clothes, while another group thought it came from officers of the 1st Regiment."

Abete complained about the way he was treated after being arrested. He said that "when we were handcuffed and hooded, we thought that we were going to be shot on the spot."

He said he did not receive proper treatment in keeping with his rank and grade and that he had been "deliberately humiliated" because he and his men were forced to take off their boots in front of military school cadets.

Major Abete reported that Colonel Luis Baraldini, for whom the military prosecutor also requested the death penalty, tried to commit suicide at the Patricios Regiment a few minute before the surrender.

Abete said: "Colonel Baraldini remained behind when we got to the field [playon]. When I turned around, I saw that he had pulled out his pistol and had put it in his mouth. A noncommissioned officer and I managed to take the pistol away from him, stopping him from committing suicide."

Abete said that during the surrender they contacted 3d Regiment personnel who requested them not to surrender because they said, "We are with you." They added that although they had surrounded the military unit, they were "shooting into the air."

Abete said the Painted Faces sought to install "a genuine and true Army command that represented the Army and not the political power," to restore the "warring spirit and the spirit of San Martin, which it now lacks."

Minister Announces 1991 Privatization Plans

PY1912195090 Buenos Aires BUENOS AIRES HERALD in English 18 Dec 90

[Text] (NA-DYN)—Public Works Minister Jose Roberto Dromi last night announced that the second stage of the government's privatization programme will be put into effect in the first months of 1991.

The most important state firms that are to go on the block next year will include Gas de Estado, the SEGBA [Greater Buenos Aires Electrical Services] electricity company, the Obras Sanitarias waterworks, the ports administration, the ELMA [Argentine Shipping Lines] state shipping company and the state coal fields.

Smaller firms that will also be sold include the EncoteL [National Enterprise for Mail and Telegraph] state postal service, a number of rail lines, the national roads administration, the Buenos Aires underground, the state mint and the National Grains Board.

The Ministry of Public Works will create a "Technical Privatization Commission" for each firm that is to be sold off which will report directly to the Executive Commission on State Reform.

The technical commissions will group officials and union representatives from the relevant sector. They will be charged with drawing up the bidding procedures for the privatizations and the regulations that will control the privatized services.

Dromi also forecast a third round of privatizations which would include the state oil company YPF [Government Oil Deposits] and the Yacyreta hydroelectric dam.

The new privatization programme also anticipates the establishment of commissions to oversee the sale of the state firms' assets, to attract public investment, to organize the involvement of employees, and so on.

In an apparent dig at Maria Julia Alsogaray, who played a high- profile and controversial role in the privatization of the state telephone company, Entel [National Telecommunications Enterprise], the Public Works Minister underlined the importance of putting teams in charge of each sale.

He also made clear that, in this second stage, the regulations that will apply to the privatized firms will be made known at the time of the bid, to avoid the kind of problems that plagued the Entel sale.

Dromi described the programme as "a pragmatic recipe for today's Argentina." Referring to past sales of state firms the minister claimed that in seven privatizations the country had gained 12 billion dollars in investments,

cut the external debt by 7 billion dollars, earned the state 3 billion dollars and transferred 65,000 employees to the private sector.

Bolivia

Antiguerrilla Group Denies Official Connection

PY1912235890 La Paz PRESENCIA in Spanish 11 Dec 90 p 1

[Excerpts] A communique sent to PRESENCIA yesterday reports the appearance of a self-styled national antiguerrilla command called "General Joaquin Zenteno Anaya," which accepts the challenge of "a war to the death" made by the Nestor Paz Zamora Commission (CNPZ) of the National Army of Liberation (ELN).

The organization asserts that it is made up of former antiguerrilla fighters who fought against "Che" Guevara in Nancahuazu in 1967. [passage omitted]

The communique states that the members of the antiguerrilla commando "have nothing to do with—nor do we have any kind of relationship or commitment to—the Bolivian Armed Forces, the National Police, or any other official organization, much less with foreign or international groups. The country is in danger, and that has prompted us to make this decision."

The communique harshly criticizes the members of the CNPZ, charging them with being "international criminals and ruffians" and of wounding and killing humble Bolivians, such as the driver of Jorge Lonsdale and the two police officers who fell on Rosendo Villalobos Street in the attack against the U.S. Marine House.

Interior Ministry Confirms Presence of MRTA

PY2012004590 La Paz Television Boliviana Network in Spanish 0030 GMT 18 Dec 90

[Text] We have just received the following report from the FIDES news agency: Under Secretary of Immigration Jose Luis Paredes has said that, according to the Interior Ministry Intelligence Department, there is evidence that three members of the Tupac Amaru Revolutionary Movement [MRTA] are in Bolivia.

He denied that a considerable number of Peruvian MRTA subversives are operating in the country, adding that only two or three of them who provided support to the Nestor Paz Zamora Commission are in the country. There are no more, he said.

He indicated that security measures are being instituted in the border regions in coordination with the Interior Ministry Intelligence Department. He added that safeconducts given in that region will no longer be allowed for entry into La Paz or any other part of the national territory.

Senate Approves Promotions of Three Generals

PY2012013290 La Paz EL DIARIO in Spanish 13 Dec 90 p 5

[Summary] In a confidential session, the Senate has approved the following promotions: Division General Guido Sandoval Zambrana, Army commander in chief, to the rank of general of force [general de fuerza]; Division General Alejandro Camponovo Ulloa, commander of the Air Force, to the rank of general of the Air Force; and Division General Victor Guzman Bruno, chief of the Armed Forces Joint Staff, to general of force.

* Nontraditional Export Figures Released

91SM0122A La Paz HOY in Spanish 23 Nov 90 p 7

[Text] The government expects nontraditional exports to total as much as $1 billion this year if trade conditions remain as they are today, said minister of the presidency Gustavo Fernandez yesterday.

Nonetheless, the latest report from the Central Bank of Bolivia, released yesterday, states that as of 30 September nontraditional exports amounted to $203,305,100.

According to Minister Fernandez' projections, during the last quarter of the year trade in this sector will have to total at least $800 million to reach the $1 billion estimated by the regime.

The official spokesman for the Government Palace said that the ministers in the economic area announced yesterday to President Jaime Paz Zamora that the level of exports has improved with respect to previous periods.

In particular, the figures for nontraditional exports have exceeded expectations for this year, and it is hoped that after many years the total will finally come close to $1 billion, he said.

This figure is significant for foreign trade, and 1991 is expected to have a much better performance than previous years, he explained yesterday after the cabinet meeting at the Palace.

The Central Bank of Bolivia reports that for the first nine months of the year, the total is $203,305,100, of which 57 percent has been exported to member states of the Latin American Integration Association (ALADI).

The leading exports are soybeans, $39.4 million; lumber, $29.5 million; sugar, $21.9 million; coffee, $12.2 million; leather, $20.5 million; and chestnuts, $9 million.

The General Office of Customs has reported to the Central Bank of Bolivia through export certificates that nontraditional foreign trade has improved with respect to 1989.

The Chamber of Exporters, on the other hand, projects that sales on the international market will reach $1

billion in the next five years if current production and market trends continue.

Nontraditional Exports, January-September 1990

Market	$US
ALADI*	116,021,700
MCCA** (Central America)	5,302,200
Canada	113,500
United States	41,480,800
CEMA***	425,900
EEC	31,675,200
AELE****	2,876,000
Asia	5,027,600
Rest of the world	381,100
Total	203,305,100

*Latin American Integration Association

**Central American Common Market

***Council for Mutual Economic Assistance

****European Free Trade Association

Chile

La Cutufa Case, Pinochet Involvement Discussed

Rojas Admits 'Unrest' in Army

PY2012023490 Santiago Radio Chilena Network in Spanish 1600 GMT 18 Dec 90

[Text] Defense Minister Patricio Rojas has admitted at La Moneda Palace that there is unrest at the institutional level within the Army over developments during the past months, including the case of the illegal La Cutufa financial enterprise.

[Begin Rojas recording] It is obvious that a situation that affects members of the Army—members who got involved while on active duty and are now retired—in illegal actions such as the La Cutufa case can have personal implications. If there are several similar cases, however, and they affect the higher echelons of the Army, it is obvious that this will cause unrest and affect all members of the Army. [end recording]

Regarding the people responsible for cases such as La Cutufa, Minister Rojas said the investigations being conducted by special judge Marcos Libedinsky will clarify the extent to which this illegal activity spread within the Army and how it did so. Noting that there is a desire to cooperate with the investigation, he pointed out that the necessary actions will be taken if officers on active duty are found guilty of these activities, which he labeled illegal.

General Pinochet Testifies

PY2012023990 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Dec 90

[Excerpt] Army Commander General Augusto Pinochet reportedly told Prosecutor Marcos Libedinsky that he learned about the existence of La Cutufa from a third person and through the media.

This is part of Pinochet's written testimony which was sent to Libedinsky on 17 December along with the report on La Cutufa prepared by General Patricio Serre. Prosecutor Libedinsky is closely studying the two documents related to this case, in which no generals are involved. [passage omitted]

Pinochet 'Not Thinking of Resigning'

PY1812114490 Madrid EFE in English 0437 GMT 18 Dec 90

[Text] Santiago, Dec 17 (EFE)—Former Chilean military dictator Gen. Augusto Pinochet said Monday [17 December] he was not thinking of resigning from his current post as Army chief despite a recent series of scandals. When asked by reporters if he was thinking of staying on as Army chief, Pinochet said, "That is exactly what I am thinking of doing."

Pinochet's declarations came amid rumors that a recent multi-million dollar fraud and murder scandal centering on the Armed Forces would force him to step down. Four generals and 16 other officials abruptly retired when the scandal broke last month.

Pinochet's eldest son, former Army Capt. Augusto Pinochet Hiriart, has also been implicated in the scandal. Pinochet Hiriart reportedly received three checks worth dlrs three million from the Army for the purchase of a gun factory in which he had a 43 percent holding.

Pinochet said, "I have no idea what you are talking about," when asked if he thought a parliamentary committee investigating the deal would ask him to testify.

Under the Chilean Constitution, Pinochet, who seized power during a bloody 1973 military coup, can stay on as Amry chief until 1997.

A parliamentary commission is due to report on human rights abuses committed during Pinochet's 16 years in power. Pinochet handed over power to democratically-elected President Patricio Aylwin in March.

Pinochet Denies 'Commotion' in Army

PY1912234890 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 19 Dec 90

[Text] Army Commander General Augusto Pinochet has stated that there is no commotion within the institution, noting that remarks by the defense minister on this issue have perhaps been misinterpreted.

Gen. Pinochet also expressed his concern over the fact that the Chamber of Deputies is paying so much attention to remarks made by a gangster [preceding word in English]. He was referring to businessman (Edwin Jagger Karl), who, in a letter addressed to the president of the investigative committee on checks [comision investigadora de cheques], said he has concrete evidence of illegal actions by Augusto Pinochet Hiriart [Pinochet's son].

The Army commander made these remarks following a graduation ceremony for staff officers. The commencement ceremony was presided over by President Patricio Aylwin and the defense minister.

Troops Confined to Barracks

PY2012025490 Madrid EFE in Spanish 0215 GMT 20 Dec 90

[Text] Santiago, 19 Dec (EFE)—Television "Channel 13" today reported that Chilean Army troops have confined themselves to barracks to protest an alleged request by Defense Minister Patricio Rojas for General Augusto Pinochet, Army commander in chief, to resign by a certain time.

The Catholic University television station pointed out that this report has not yet been confirmed by any official of Patricio Aylwin's government.

Jose Antonio Viera Gallo, president of the Chamber of Deputies, has confirmed the Army's confinement to barracks to the media, although he admitted that he is unaware of the reasons for this decision. Viera said: "The public must remain calm to maintain democratic stability. If there are problems with the Army, they must be resolved."

Minister Secretary General of Government Enrique Correa, when asked about the matter by reporters at the Congress building in Valparaiso, neither confirmed nor denied the report on the confinement of the Army troops. Correa pointed out that "interruptions in democratic processes take place when there are very serious crises and no consensus, which is not the case in Chile."

The state television channel and a private channel today reported that Army officers were confined to barracks in Santiago to hold informational meetings, meetings that the media has linked to other media reports on the case of the illegal "La Cutufa" financial firm.

In connection with this case, a civilian judge has summoned 150 active duty officers who have already received internal administrative sanctions for having invested in "La Cutufa." The firm had been operating for the past six years, until Pinochet ordered an internal investigation in October.

Rojas Denies Requesting Resignation

PY2012031090 Madrid EFE in Spanish 0235 GMT 20 Dec 90

[Text] Santiago, 19 Dec (EFE)—Chilean Defense Minister Patricio Rojas today denied having asked General Augusto Pinochet to resign as Army commander in chief, a post Pinochet can retain until 1997 in accordance with the 1980 Constitution.

Rojas, saying that he knew the laws well, noted that a request for Pinochet's resignation would be "unfeasible" and that "he can leave his post only if he voluntarily resigns."

Rojas added that the government was aware of Pinochet's decision to retain his post as Army chief and that "at no time has the government attempted to take any action that would violate the Constitution."

Several Chilean television stations reported today that Chilean Army officers were staying in their barracks, at least in Santiago. This move was first interpreted as a protest against media reports on the Army's connection with the activities of the illegal financial firm "La Cutufa."

Catholic University-owned Channel 13, however, reported that the Army troops were in their barracks to protest Rojas' alleged request for Pinochet's resignation.

Without acknowledging that Army troops were confined to barracks in Santiago, Rojas said: "The situation could have been provoked by a misinterpretation of our concern over issues that are known to the public and on which I commented yesterday."

Rojas said on 18 December that there was "a state of commotion affecting those in uniform, and of course there is an institutional concern." Rojas' comments referred to a judge's investigation into the "La Cutufa" case, in which Army officers and former agents of General Pinochet's secret police are involved.

Eight people have been arrested and indicted, including retired Brigadier Jaime Lucares, former chief of the military household during Pinochet's regime.

Rojas declined to say whether the confinement to barracks was a method of pressuring for the resignation of the cabinet of President Patricio Aylwin, who was inaugurated on 11 March.

Inclusion in International Community Viewed

PY1912205090 Santiago Domestic Service in Spanish 2200 GMT 18 Dec 90

[Text] President Patricio Aylwin has expressed his satisfaction over the fact that Chile has been fully reinstated into the international community. He conveyed this idea in a speech he made to promote the International Cooperation Agency, which is included under the Mideplan [Ministry of Planning and Coordination].

At a ceremony at La Moneda Palace, the president commented on the people's effort to achieve full development. He pointed out that there is universal solidarity with efforts to establish better living conditions for all mankind and that this reflects the common defense of certain values.

President Aylwin then stressed the period during which our country isolated itself from the international community. He said that the struggle for and the process of reestablishing democracy in Chile required efforts from outside our borders. He also stressed the solidarity expressed in various ways by so many friendly countries.

[Begin Aylwin recording] We feel like we are fully reinstated within the international community. This was one of our government programs, and we feel like we have achieved it fully. This has been possible because most nations understand the Chilean process and because we have tried to consistently comply with the values we have supported. [end recording]

The president noted that he expects this reinstatement to represent a step forward in cooperation toward overcoming extreme poverty.

Referring to the official installation of the Council of the International Cooperation Agency, Planning and Coordination Minister Sergio Molina expressed his thanks for the understanding and readiness of the countries that have cooperated with Chile in various ways.

Foxley, Ominami Comment on Failed GATT Talks

PY1912200490 Santiago EL MERCURIO in Spanish 8 Dec 90 pp B 1, B 3

[Excerpts] After the ministerial meeting of the Uruguay Round in Brussels, Finance Minister Alejandro Foxley and Economy Minister Carlos Ominami lamented the manner in which the multilateral GATT trade negotiations had ended, with no agreement having been reached for EC reductions of subsidies on certain agricultural products.

Foxley termed the lack of success at the talks "very negative," stating that the future of trade within a multilateral system was at stake at this meeting in Brussels. [passage omitted]

Foxley expressed his confidence, however, that additional efforts will be made, adding that the GATT has been a very effective mechanism for accelerating growth and trade during 40 years of development. He also commented that countries should not limit themselves to watching the GATT collapse without establishing a mechanism to replace it. [passage omitted]

Moreover, in a statement made in Brussels as the head of the Chilean delegation to the Uruguay Round meeting, Ominami said: "All negotiators are discouraged by the lack of progress on the agriculture issue; this has ended up paralyzing the Uruguay Round, which was born in Punta del Este with so much hope."

He noted, however, that he was not pessimistic: "We believe the interests at stake are too important to accept this conclusion as a failure. There are important political and technical problems that must be solved, and we are ready to contribute to finding adequate solutions."

He reaffirmed Chile's desire to continue working for these negotiations to bring them to a positive conclusion. He also called on all countries to assume their share of sacrifices to obtain acceptable agreements that will reflect the common interest of liberating trade.

Opposition Planning Response to Aylwin's Remarks

PY1812173690 Santiago Domestic Service in Spanish 2200 GMT 17 Dec 90

[Excerpts] The National Renewal [RN], the main opposition party, has labeled President Patricio Aylwin's remarks in La Serena—where the president said that he does not recognize the moral authority of those in Congress who are hampering the approval of government initiatives on National Television projects—as very serious.

The RN board held an emergency meeting in the past few hours and reported through party Secretary General Felix Viveros that President Aylwin's remarks are reportedly aimed at invalidating our arguments, an action that is not appropriate for the government. Viveros added that his party has solid arguments to counter the president's remarks. [recorded passage omitted]

Viveros said the party's board has adopted a preliminary position which is being studied by the political committee at this moment.

Christian Leftist Party Faction Elects Leader

PY1812164090 Santiago EL MERCURIO in Spanish 3 Dec 90 p C 2

[Summary] The Christian Leftist Party faction that did not join the Socialist Party elected Roberto Celedon as its new secretary general at a central committee meeting in Santiago on 1 December. The rest of the party leaders will be elected during the first three months of 1991.

Socialist Party Elects New Leadership

PY1812154890 Santiago LA TERCERA DE LA HORA in Spanish 25 Nov 90 p 11

[Summary] The new leaders of the Socialist Party are as follows: Clodomiro Almeyda, honorary president; Jorge Arrate, president; Ricardo Nunez, vice president; and Manuel Almeyda, secretary. Camilo Escalona, Luis Guzman, Isabel Allende, Jaime Perez de Arce, and Herman Vodanovic have also been elected vice presidents.

Former CNI Agent Indicted on Abduction Charges

PY1812170890 Santiago Domestic Service in Spanish 2200 GMT 17 Dec 90

[Text] Jorge Vargas, a former agent of the CNI [National Information Center] and currently a civilian employee of the Army Intelligence Directorate, has been indicted on charges of being involved in the abduction and death of journalist Jose Carrasco Tapia.

The decision was made by special judge Aquiles Rojas, who is investigating the events that occurred early on 8 September 1986, a few hours after the attack on then President General Augusto Pinochet. The judge is investigating the abduction and death of professionals Jose Carrasco, Ignacio Vidaurrazaga, Abraham Muskatblit, and Felipe Rivera.

Vargas was arrested last week and has been held incommunicado since that time.

The judge ordered a meeting between Vargas and various eyewitnesses and then decided to indict him as one of journalist Jose Carrasco's abductors. Vargas, whose incummunicado status has been extended, was sent to a military unit to be held in preventive custody.

Carabineros Report Arrest of FPMR Member

PY2012005890 Santiago Domestic Service in Spanish 2200 GMT 18 Dec 90

[Excerpt] Carabineros Director General Rodolfo Stange has reported that Carabineros personnel in the Seventh Region have arrested a member of the terrorist Manuel Rodriguez Patriotic Front [FPMR]. According to Stange, this individual is allegedly involved in the attack and murder at the Talca Museum and also with the extremist who committed suicide in Molinas. Stange made these remarks following a ceremony to dedicate a police station built by the Housing Ministry in the community of Lo Prado. [passage omitted]

Congress Passes Draft Public Sector Budget Bill

PY1812160690 Santiago EL MERCURIO in Spanish 28 Nov 90 pp A 1, a 16

[Summary] Congress passed the draft 1991 budget bill for the public sector yesterday, projecting a total income and expenditures of 2,514,308,747,000 in Chilean pesos, or $1,181,920,000. The budget is based on an estimated 18-percent rate of inflation, prices for copper at $0.89 per ounce, and real economic growth of four to five percent.

$48-Million Loan Granted by Switzerland

PY1812155290 Santiago EL MERCURIO in Spanish 27 Nov 90 p B 1

[Summary] Planning and Coordination Minister Sergio Molina and Pierre-Louis Girard, coordinator for the Swiss Government's Foreign Economic Affairs Office for Latin America, have signed a $48-million agreement. The Swiss Government will donate 35 percent of the amount and the rest will be payable over a 10-year period at six-percent interest, with a three-year grace period. The funds, which will finance private and public development projects and are tied to the purchase of Swiss capital goods, will be available on 1 January 1991.

Aylwin Congratulates Poland's Walesa on Election

PY2012015690 Santiago EL MERCURIO in Spanish 13 Dec 90 p C 2

[Excerpt] President Patricio Aylwin yesterday sent congratulations to Polish president-elect Lech Walesa on his election victory and wished him a successful administration.

Here is the text of the congratulatory letter:

"Speaking for myself and the Chilean people, I would like to express to your excellency my most sincere congratulations on your election as president of Poland and wish you success in the difficult and important tasks that you will be asked to carry out."

"The Polish people have placed their confidence in your leadership and we trust that, with the Lord's help, your administration will bring development and peace to Poland."

"The election of Your Excellency will also allow our countries to advance in the fruitful process of intensifying mutual ties." [passage omitted]

Colombia

Army Reportedly Fulfills Measures Against FARC

PA1812185590 Bogota Radio Cadena Nacional in Spanish 1200 GMT 18 Dec 90

[Interview with Defense Minister Oscar Botero Restrepo by unidentified reporters in Bogota on 18 December—recorded]

[Text] [Botero] The Cali and Medellin drug cartels have been waging a vicious struggle with frequent attacks and crimes. The violence of the past weekend in Medellin does not suprise me because these things happen in the country all the time.

[Reporter] Tirofijo [Manuel Marulanda Velez], top commander of the Revolutionary Armed Forces of Colombia [FARC], announced today that he will continue the fight and will not surrender to the president or the Armed Forces. How do you feel about that?

[Botero] I think the FARC and the ELN [Army of National Liberation] stances have always been radical and extreme. Despite all the opportunities this government has given them to begin negotiations, they have turned them down. If they adhere to that stance, the Armed Forces will continue to fight them.

[Reporter] It has been more than 15 days since the operation on Casa Verde began. What is the latest report on the operations from the troops in that area?

[Botero] I feel that military operations have been very positive, as stated in the various communiques and reports issued. The objective of the operation was fully carried out. From every standpoint, this is a very positive operation.

[Reporter] Do you know how many guerrillas have been killed? Do you know if any FARC chieftains are among those killed?

[Botero] I do not know if any of the chieftains have been killed. As I have repeatedly said, we are not overly concerned about the number of casualties of these outlaws. That was not the operation's objective. The objective was to enter into an area that was under the control of this group of criminals. We fulfilled that goal. The guerrilla deaths or casualties is very large and significant, but that is not the most important thing about this operation.

[Reporter] Will you have a special ceremony on 24 or 31 December to pay tribute to the soldiers?

[Botero] The Christmas and New Year's holidays are celebrated all over the country and at all garrisons. No matter how remote the region is or how difficult the situation may be, something will be done for the soldiers.

[Reporter] After Casa Verda, what is the next objective?

[Botero] I will tell you later what the objective is.

[Reporter] What happens if your troops do not succeed in totally wiping out Tirofijo and his men in the mountains?

[Botero] The problem we have been experiencing in Colombia all these years will drag on. There will be a number of abuses and savage actions, like the ones perpetrated by these groups of outlaws. These actions generally consist of reprisals against innocent civilians.

They will commit actions that harm the people, such as the attack on Villagarzon. They destroyed an airplane that provided a service to the community. The airport solely served the people. These types of totally absurd actions increase the people's hatred for them. It has been proved that these criminals have no supporters among the civilian population.

[Reporter] It seems that there have been guerrilla actions in Caqueta and Cauca Departments and in Putuymayo Departments this past weekend.

[Botero] Some actions were reported in different parts of the country. As a rule, they carry out terrorist acts like the one in Villagarzon. In San Jose de la Fragua area, they destroyed a bridge, and in Caucasia they downed an energy tower. All these actions cause inconveniences for the people who are directly hurt by these acts of vandalism.

Paramilitary Chief Surrenders to Authorities

PA2012023190 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Dec 90

[Text] Jose Otoniel Vanegas Perez, who has been characterized as one of the leaders of Fidel Castano's paramilitary group, surrendered today to the Medellin authorities; it is believed that he was probably following the example of Fabio Ochoa Vasquez. He could be released on parole if the only charge against him is the illegal possession of weapons.

Vanegas Perez, whose alias is Christ and who is believed to be one of Fidel Castano's right hand men, testified before the Ninth Civil Court judge of Medellin.

Vanegas Perez has also been accused of murder and kidnapping. He has been charged with ordering the assassination of congressman Alfonso Espino, a former secretary of the presidency of the Republic.

The paramilitary chief was quickly taken from the Jose Felix de Restrepo court to his new destination, the new Itagui jail, where the authorities had prepared a maximum-security cell for him.

Authorities Suspect Rebel Involvement in Fire

PA1912150990 Bogota Radio Cadena Nacional in Spanish 1213 GMT 19 Dec 90

[Text] Cartagena—The Colombian Government security corps will investigate the possible criminal participation of rebel groups in the fire that started at the Ternera Hydroelectric Substation near Cartagena, Bolivar Department. The fire has left over 400,000 people without electricity.

Cartagena Fire Department Commander Captain Eduardo Sanchez said that before the fire started a Ternera Hydroelectric Substation employee heard several explosions, which leads the authorities to suspect that there was criminal participation. The fire has left a large part of the Colombian northern coast departments without electritiy and potable water.

Capt. Sanchez stressed that to put out the fire the firemen used five engines and over 100 men.

The Fire Department commander stated that the Ternera Hydroelectric Substation feeds the Sabana Larga Energy Central, which distributes electricity to various coastal departments. This is the reason why there is neither water nor electricity in various parts of five coastal departments. According to preliminary reports, there is absolutely no electricity or water in Cartagena at present.

It has been said that Corelca [Electric Corporation of the Atlantic Coast] employees have started to repair the damage so the energy and water services can be restored.

There are no victims, and the property damage has not been estimated yet. Bolivar Hydroelectric Plant Manager

William Murra said the water and energy services should be restored in two or three days.

ELN Guerrillas Damage Oil Pipeline in La Gomez

PA1912185890 Bogota Inravision Television Cadena 1 in Spanish 1735 GMT 19 Dec 90

[Text] National Liberation Army, ELN, guerrillas have blown up part of the oil pipeline between Barrancabermeja and Sabana de Torres. The terrorist action took place in an area called La Gomez and left damage estimated at more than 40 million pesos and 1,000 barrels of oil spilled. Thanks to the quick intervention of oil technicians, the oil was held back before it could cause greater ecological damage to two swamps located near the region. Work to recover the oil will continue this week.

* Anti-kidnapping Unit Organization Described

91SM0098A Bogota EL TIEMPO in Spanish 31 Oct 90 p 9A

[Article by Miller Rubio Orjuela]

[Text] The Antikidnapping and Extortion Unit (UNASE), an agency set up by the government to fight such crimes in Antioquia, will be made up of four groups specializing in intelligence, operations, and electronic and criminal investigations equipment.

UNASE's first action has involved the training of personnel from the Army, the Administrative Department of Security (DAS), and Police in the most advanced techniques relating to kidnapping now being used by experts from the Judicial and Investigative Police Directorate (DIJIN) and DAS.

These experts are now at work in Bogota, where training is being given in the use of weapons, equipment, and information to the group of men who will fight kidnapping and extortion in Aburra Valley and 124 municipalities in the department.

Work is coordinated at UNASE headquarters in Medellin by the Antioquia Police Command and DIJIN, an agency which has dispatched modern equipment to the city to compile data on bands of criminals operating in that area of the country.

UNASE has a network of information on the modus operandi generally used by the criminals which in the future will make it possible to neutralize their action, investigators believe.

In addition, a special voice bank has been put together to identify the authors of acts relating to kidnapping and extortion.

The system will make it possible to compare the voice recorded during talks between the victim's family and kidnappers with recordings now being compiled by the Army Secret Services, Police, and DAS.

In addition, intelligence data will be obtained through informers working with security organizations comprising UNASE. The bank of reports will make it possible to establish the movements of the heads of criminal organizations.

Police sources have also announced they now have a file of "spoken portraits" that will aid in the task of identifying kidnappers.

Electronic Intelligence

Systematization of the fight against kidnapping also includes the use of classified information through modern equipment making it possible to correlate data supplied by the Army, DAS, and the Police immediately.

The intelligence central will also have available court records, arrest warrants, and a special history of vehicles stolen over the course of the past year in that area of the country.

Actions to be carried out by UNASE in Antioquia include surprise raids and mobile reinforcements. Such operations will be supervised by members of the nation's Office of the Attorney General in order to avoid abuses.

The sectional government has also set up two airwaves and three telephone lines to receive information supplied by citizens.

The Medellin Mayor's Office will give UNASE three million pesos a week to finance actions carried out by that organization in Aburra Valley.

The scope of UNASE's action will be under constant study by the Departmental Board of Security made up of the governor, the mayor of Medellin, the commanding officer of the 4th Brigade, the commander of the Antioquia Police, the sectional chief of DAS, the regional director of criminal investigation, and the regional office of attorney general.

Kidnappings

Kidnappings in Colombia in one year have exceeded a figure never before imagined or recorded anywhere in the world: 1,000.

Perpetrators of the kidnappings range from common criminals to guerrillas and groups such as the "Extraditables," who admitted yesterday they are holding newsmen who disappeared a month and a half ago, including Francisco Santos, editor of EL TIEMPO, Diana Turbay de Uribe, publisher of HOY X HOY, and Azucena Lievano, Cripton television newswoman.

The region with the highest number of kidnappings is Antioquia, with 218. Starting in June, when the Extraditables announced a unilateral truce in their terrorist actions, the number of missing persons increased and the seizure of persons for the purpose of extorting ransom gave way to kidnapping for whatever reason.

All departments have similar cases. The figure for the first ten months of 1990 is nearly double that for last year: 562.

Ecuador

Strikes in Country; No Violence or Clashes

PA1912235690 Paris AFP in Spanish 0052 GMT 19 Dec 90

[Text] Quito, 18 Dec (AFP)—Just as other sectors have done recently, workers in Chimborazo and Loja Provinces and Health Ministry workers went on strike yesterday to get the government to heed their demands.

In Chimborazo, in the country's Andean center, the province remains at a standstill. Roads were blocked, shops were closed, and students stayed home from school, while troops guarded strategic installations.

Chimborazo elected officials said that the strike is indefinite and that any negotiations with the government must take place at the provincial capital of Riobamba, 240 km south of Quito.

At Loja, in the far south, a two-day warning strike ended on 18 December. This strike closed the Peruvian border, although businesses in the area did work somewhat.

When the indefinite strike began, hospitals and state clinics began only treating emergencies in an effort to obtain better salaries, medicines, and supplies for medical centers.

The medical center strikes in Quito began last week.

Municipal workers in Pichincha Province are in their ninth day of the strike and remain camped outside the municipal offices. Several workers have begun a voluntarily fast.

Municipalities in Guayas Province, the country's most heavily populated area, suspended their strike on 13 December when the workers were told that the government was disbursing the first installment of funds .

Other areas in the country are also receiving government funds and promises that their demands will be satisfied. This wave of strikes has been fanned by surplus oil revenues earned since August.

These protests have not resulted in any incidents or clashes with the public force because they have been avoiding the strikers.

PLO Delegation Arrives, Talks With Government

PA2012031690 Paris AFP in Spanish 1704 GMT 16 Dec 90

[Text] Quito, 15 Dec (AFP)—A high-level delegation from the Palestine Liberation Organization has arrived in Ecuador, a country which will become a UN Security Council member in January, the Ecuadoran Social Communications Ministry [Senac] reported on 9 December.

The Palestine delegation will hold several meetings with Ecuadoran Government officials, particularly those connected to foreign policy, to relate their views about the future of Palestinians and the world.

In January Ecuador will become a member of the strategic UN Security Council, an organization that has been playing an important role in the past few months because of the conflict in the Persian Gulf.

The PLO delegation is headed by Faruq Qaddumi, who is accompanied by 'Isam Kamil Salim and James M. Zayid [name as received].

According to Senac, Foreign Minister Diego Cordovez has reiterated the traditional principles that inspire this Andean country's foreign policy regarding the Middle East. These principles include the Palestinian people's self-determination and their right to create a sovereign state.

Cordovez added that it is necessary to find an overall, just, peaceful, and lasting solution to the Middle East conflict in the framework of the Security Council's Resolutions 242 and 338.

During the talks with the Ecuadoran Government officials, the PLO delegation will also talk about the subjects included on the agenda for a security council resolution regarding the armed conflict in the Middle East.

Paraguay

Central Bank Reports $62-Million Trade Surplus

PY1812232890 Asuncion HOY in Spanish 7 Dec 90 p 17

[Summary] The Central Bank has reported that from January to November 1990, exports reached $933 million and imports reached $871 million, which means a surplus of $62 million. The Central Bank expects a surplus trade balance of over $250 million this year if the banking system's foreign currency deposits and the Central Bank's net reserves are added.

Democratic Alliance Appoints Coordinator General

PY1812233690 Asuncion NOTICIAS in Spanish 15 Dec 90 p 3

[Summary] The Democratic Alliance Executive Committee has appointed Luis Becker as the new coordinator general replacing Blas N. Riquelme, who resigned. With the appointment of a new coordinator general, the rupture between the Democratic Alliance and Democratic Traditionalism has been made official.

Two New Presidential Aides-de-Camp Installed

PY1812232090 Asuncion NOTICIAS in Spanish 15 Dec 90 p 5

[Summary] General Rejis Anibal Romero, chief of the military household, has installed two new presidential aides-de-camp. They are Lieutenant Colonel Maximo Rogelio Sanabria Delgado and Captain Miguel Angel Candia Fleitas.

Peru

Hurtado Miller Discusses Economic Policies

PY1912121990 Lima EL COMERCIO in Spanish 2 Dec 90 Sunday Supplement pp 4-5

[Interview with Juan Carlos Hurtado Miller, prime minister and economy and finance minister, by Manuel Cisneros Milla; place and date not given]

[Text] [Cisneros] Why do you think a large majority (95 percent) of the businessmen who attended CADE [Annual Conference of Business Executives] 90 support your policy?

[Hurtado] I believe there are two factors responsible for that support: the credibility and courage shown by President Alberto Fujimori—credibility because he created confidence and courage by the way things are done. From the first day of his administration the president has shown openness and courage in facing the country's basic problems. I am only following his instructions and backing him in leading the economic program. Basically, he is the one who guides the entire process. Our people are regaining their confidence in the future because of the confidence he conveys and because of his courage in handling issues that were taboo.

[Cisneros] Many people, including members of the opposition, recognize that the economic policy's basic guidelines are appropriate. What do you believe are the weak points of your administration?

[Hurtado] I believe we made a mistake in delaying the implementation of two measures. The first mistake was the excessive delay in eliminating the tariff surcharge; this unnecessarily delayed the opening abroad for 30 to 40 days. It led, first of all, to a rise in inflation because we did not have an instrument—the opening abroad—to fight it quickly, and second, there was some private sector mistrust in the medium-range process. Our second mistake is that we have not yet reorganized the ports and custom houses. This is a process that must be done immediately after the opening abroad along with tariff reform in order to reduce export and import costs.

[Cisneros] Exporters are also complaining about the overvaluation of the currency.

[Hurtado] Yes, businessmen complain about that. I do not believe it is too overvalued, although it would help them reduce their costs. The way to reduce their costs is by getting rid of some of the obstacles to foreign trade such as the custom house and port problems.

Regarding the mistakes I mentioned, I must say that the first was my fault because of the delay and the second is because we are a little behind in our schedule.

[Cisneros] Do these two factors have any influence on the recession?

[Hurtado] No. It is very difficult to carry out an adjustment process of this nature without experiencing a recessive process afterwards. It is very difficult. We believe, however, that the Christmas sales will be 95 percent of last year's sales. An important reactivation is already going on. Many factories are working full time. It is true that the reactivation does not encompass the entire economy, but clear signs can already be seen.

[Cisneros] The fear of a return of inflation persists....

[Hurtado] The country's economic structure and the way inflation is calculated are such that inflation could return, but I hope it will not be very great. The opening of the market abroad guarantees us free competition and, especially, a supply of enough products to prevent the return of inflation. Inflation is caused by excess demand or the restriction of supply. When this administration took over there was a tariff surcharge, and because we did not open the market abroad, there was a restriction of supply that, in turn, made products expensive. Now, because of the foreign supply, the level between supply and demand is satisfactory. The recovery of the population's purchasing power will lead to pressure on the aspect of demand. Inflation is always expected to rise in December and January. The important thing is to break this trend, which has prevailed in the country in the last few years. It was always believed that the exchange rate was responsible for high prices. I hope that will be eliminated once and for all to definitely defeat inflation.

[Cisneros] The government's short-term economic policy has undoubtedly been successful. How do you view the medium term?

[Hurtado] If, as we expect, the investment process begins in January as a result of the new budget, this process should result in greater production. Our program not only seeks to increase production, but to distribute it fairly. For instance, Bolivia was able to curb inflation and to stabilize the country, but its economy has not grown. In our case, our main objective in the first stage of our plan was to bring inflation under control. We are now entering the stage of structural reforms and economic growth. I believe—and I am optimistic about this—that we stand a good chance of obtaining loans from multilateral organizations. The investment program is ready and the budget should be approved by the deadline—15 December. Consequently, I harbor great hopes that investments will grow in our country.

[Cisneros] Are you saying that the production sector will recover thanks to foreign investment and to investments implemented through the national budget?

[Hurtado] The Peruvian development process is based primarily on domestic savings—that is, savings by the government, companies, and the people. This will be our main effort. We will also have foreign savings in the form of loans or investments. Thus, the initial investment drive must be a domestic effort. Further investments will come from rejoining the international economic system, by restoring confidence and promoting investments in Peru or by making it possible for us to obtain loans for our development.

[Cisneros] Don't you think the GDP growth estimates for next year are over-optimistic?

[Hurtado] No. It is 2.8 percent. The population growth estimated in macroeconomic calculations also stands at 2.8 percent. This is not, however, a reasonable rate because we should be growing by at least five percent annually to meet Peruvians' needs.

[Cisneros] According to figures with which all of us are familiar, the GDP will reach $18.5 billion in 1990. Is the 1991 budget being calculated based on this figure?

[Hurtado] The calculation of the GDP involves a major problem. For example, the Central Reserve Bank has reported that the GDP stands at 25 trillion intis. Based on a rate of 600 intis to the dollar, the GDP would then stand at $43 billion [number as published], but this is impossible. For its part, the Economy Ministry has reported that the GDP stands at 21 trillion intis, which, based on the same rate, means a $35 billion GDP. If we consider real prices for 1985, the GDP would drop by 50 percent because, since that time, real prices have grown by almost 100 percent. Consequently, we have adopted our own GDP figure of 21 trillion intis.

[Cisneros] How can the dollar rate be forced to rise? What are you planning to do regarding this?

[Hurtado] The market is free and there is no chance for the government to modify the dollar rate. People talk about a "dirty floating market" because the Central Reserve Bank can intervene in the market, selling dollars if speculation pushes the rate up, or buying if the rate drops too much. The exchange rate that we estimate for the near future is a real rate that will stand above inflation. The Central Bank can participate in this "dirty floating market" to counteract the low rates caused by cheap coca dollars, which is the problem.

[Cisneros] How can it be controlled?

[Hurtado] Through Central Bank intervention.

[Cisneros] Do you think the Central Bank has enough capacity to counteract the effect of cheap dollars?

[Hurtado] Of course. The problem is that in July we had no operational capacity. If there had been speculation at that time we would have been unable to check it because the Central Bank had no reserves. Today its reserves stand at $650 million, which is enough to pay for almost three months of exports.

[Cisneros] The Central Bank has adopted additional measures, such as the imposition of a 30-percent advance payment on imports...

[Hurtado] The point is that the monetary and exchange measures supplement the economic policies we have implemented. Everything works as a single unit.

[Cisneros] Are you working together?

[Hurtado] Our relations are very close. The Central Bank chairman is on a trip as head of a delegation in which we are participating on behalf of the Ministry of Economy, but the conclusion of the negotiations will be in his hands. Once the specific figures are agreed upon I will travel to Washington to supplement the negotiations at a political level.

[Cisneros] Some people believe the timetable for Peru to rejoin the international financial system is too tight and too optimistic. What do you think about it?

[Hurtado] The truth is that we are short of time. We began too many things at the same time; yet the problems that our country is experiencing are so urgent we have to work 24 hours a day and do two things, rather than just one, every day. I reiterate that we are working on many issues simultaneously, such as rejoining the international financial system, the budget law, the new tax law, reorganization of the customs superintendency and the superintendency of revenues, the foreign trade law, and reorganization of ICE [Foreign Trade Institute], etc. We are doing 20 things at the same time. Fortunately, we have good technicians and they are working in eight to 10 commissions. We had about 100 people working on the investment program with the Inter-American Development Bank and the World Bank. About 20 people are now working on the structural reforms. We have several teams at work because Peru cannot wait. We have already wasted too much time. We need powers to reorganize the executive branch, but these powers have not yet been granted by Congress.

[Cisneros] There is a great deal of concern about a new obligation the government has assumed with public servants. The government will need 53 billion intis to pay the end-of-year bonus and the family basket allowance it has already offered them. Don't you think this expense goes against the economic program?

[Hurtado] I do not know whether you are giving the right figure; I cannot remember it now, but it is in the budget—otherwise, we would not have done it. The family basket allowance we are going to give in November and the December Christmas bonus are included in the budget. We are not going to ask the Central Bank for credit. We have the financing.

[Cisneros] What can you tell us about the basic aspects of tax reform?

[Hurtado] The general framework of the reform has the objective of simplifying the tax system to make it an effective instrument for collection. There are four basic aspects. The first is a reduction of the permanent taxes to six: income and corporate tax, corporate and personal assets tax, general sales tax, selective tax on goods and services, special union taxes, and taxes on tariffs that have already been implemented. Two taxes will be maintained on a temporary basis: the export tax, which is paid when foreign currency is given by the Central Reserve Bank, and the tax on checking account debits. There is the need to temporarily maintain these two taxes along with a selective tax on interest because the reform will take time to consolidate.

[Cisneros] What is the second aspect of the reform?

[Hurtado] It is the reduction of tax exemptions and benefits. The tax exemptions and benefits that will be maintained are expressly mentioned, and those that are not mentioned are eliminated. The third aspect of this reform is the expansion of some taxes, such as the IGV [general sales tax], to include several products that were not taxed in the past. The fourth aspect is the elimination of most of the taxes aimed at reestablishing the principle of the single cashier [caja unica]. There are many taxes that have a definite purpose or aim that we are going to eliminate.

The single cashier principle is the one that currently prevails and the national treasury system will be next. This is only the first part of the reform. It will be complemented with a reform of the tax administration, which is also under our jurisdiction. Without this reform it would be practically impossible to significantly improve tax collection. This is the general framework of the tax reform and the four principles that regulate its operation.

[Cisneros] Some people believe that if the government does not lay off at least 300,000 public employees it will be practically impossible for the economic program to have positive results. Do you share that opinion?

[Hurtado] It is true that there are an excessive number of employees in the Central Government and state companies. I do not believe, however, that laying them off will be a solution because unemployment for people who have no other choice will increase. I believe we have to implement a rational employment reduction program by giving retirement incentives, and allowing them to have money to open small businesses to be able to produce. This is part of our short-range plan. The truth is that there is not enough money to pay the number of public employees we have, but we cannot disregard civil service since a career in public administration should really be an honorable career where people can earn dignified salaries, not the current very low salaries.

[Cisneros] There is considerable concern in the country. The people have the impression that the government is discontinuing the social emergency program. Is this true?

[Hurtado] I have a personal responsibility for this. I initiated the program with great determination. Recently, because of my workload, I have paid less attention to it. I am not giving it the attention that I should. Nevertheless, last night (27 November) I had a long meeting with the health minister who has just returned from a conference in Quito on the elimination of poverty. He went with program head Jorge Garcia Pacheco, engineer Romulo Grados—whom I appointed—and with INP [National Planning Institute] chief engineer Joel Jurado. We are designing a new social emergency program and a productive employment program, in which the Popular Cooperation [not further identified] will have a fundamental role for coordinating and unifying the work of the productive sectors. We are asking the budget commission to include in the financing law an article that will allow us to legislate through executive branch decrees, thus giving a definite shape to these programs. We have allocated considerable resources in next year's budget, in addition to the funds that we expect to receive from countries that wish to cooperate. We will give the emergency program a new start. We have been providing funds, though not in the quantity we would have liked because of unfortunate budget limitations. Last week, we transferred $11 million. Since September we have transferred between $15 and $20 million. We would have liked to have transferred $50 million, but unfortunately it was impossible. The program will be relaunched next year, reinforced in the areas of food, health, and education, and with the creation of the productive employment program, which is our greatest dream. We recently conducted a survey and found that most people—nearly 70 percent—are not begging for food; they are asking for work. So, we want to give them work.

[Cisneros] How are you working with the church in this area?

[Hurtado] Very well. Church participation in the coordinating board is generally excellent. Most of the 11 organizations within the Social Emergency Coordinating Board are church organizations, and they can work very effectively. They helped us when we had a small decline in fiscal collection. In late September and early October the church helped with its inventory so that the food supply could be maintained. Communication with the church is very fluent, and the scandal that attempted to distance President Fujimori and the church did not work. I have met with Monsignor Vargas Alzamora, and, as a matter of fact, tonight (28 November) I will meet with Monsignor Durand to coordinate the role of the church in the social emergency program. We are not distanced. We are close. We are in accord.

Editorials View Bush's Visit to Latin America

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[Editorial Report] On 11 and 12 December, two Lima newspapers carry editorials referring to President George Bush's recent tour of South America.

The 11 December issue of Lima EXPRESO carries on page 16 a 350-word editorial entitled: "Bush's Tour," which stresses the U.S. policy change in becoming more concerned about the rest of the American continent in the face of "the possibility of one Europe that extends from the Atlantic to Vladivostok." The editorial endorses Bush's visit but regret's the Peruvian Government's lack of attention to it. It concludes: "We cannot ignore the rules of economics and geography. We cannot be left out of the great decisions that involve and alter our destiny. We could have taken advantage of Mr. Bush's trip; his personal testimony would have helped our application to the international financial centers. It is sad to see that our political leaders cannot extend their hopelessly short-sighted and parochial position."

Meanwhile, on 12 December, Lima LA REPUBLICA publishes an 800-word editorial on page 18 entitled: "President Bush's Tour," which analyzes each stop made by President Bush's on his "rush" tour of the region. It points out a change in U.S. diplomacy that is paying more attention to the region, given the fact that blocs are being formed in Europe and Asia. "Under these conditions, all Washington has left is the market in the Far East and in the American continent." This is why "Latin American presidents should intensely discuss the meaning of the 'Bush Initiative' and the advantages and disadvantages of an exclusive relationship that may turn into a new form of dependency." The editorial asks: "Why did he not come to Peru?" and answers: because "it is obvious that the disputes with our country are great, ranging from the foreign debt to drug trafficking," and "there is enough evidence to enable us to assert that President Fujimori's position regarding drug trafficking (including some incoherent issues, like the granting of land titles to coca farmers) was not well received" by the U.S. Government.

"Too bad, then. An arrangement with the IMF, less waffling over the issue of Spike [an herbicide] and other points of friction, and then perhaps Mr. Bush will grant us a few hours of his time during his next rush through Latin America."